



Daily Report

East Asia

FBIS-EAS-88-068

Friday

8 April 1988

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Japan

Government To Urge U.S. To Scrap Trade Bill *OW080605 Tokyo KYODO in English 0536 GMT* 8 Apr 88

[Text] Tokyo, April 8 KYODO—The government confirmed Friday it will urge the U.S. Government to make every effort to rescind an omnibus trade bill clause calling for retaliatory sanctions against Toshiba Machine Co. and its parent Toshiba Corp., government spokesman Keizo Obuchi said.

The decision was made at a ministerial conference meeting on COCOM [Coordinating Committee for Multilateral Export Controls] problems, the chief cabinet secretary told reporters.

The provision runs counter to the principles of COCOM regulations on exports to communist countries and to the General Agreement on Tariffs and Trade, government officials said.

The U.S. congressional negotiators from the House and the Senate agreed last Friday to incorporate the provision into the final draft of a sweeping trade reform bill.

The provision calls for a 3-year import ban on all Toshiba Machine Co. products for its illegal export of sophisticated technology to the Soviet Union. The clause also calls for a 3-year ban on government procurement contracts for the parent firm, Toshiba Corp.

Kongsberg Vaapenfabrik, a Norwegian arms maker, will also be subject to the same mandatory sanctions for selling its computerized controllers by linking it to the illegal export of Toshiba Machine equipment in violation of COCOM regulations.

Ministers concerned with the COCOM problems also agreed that the Government will do its utmost to prevent a recurrence of similar cases of COCOM violations made by two small Japanese trading firms, Obuchi said.

Police searched the two trading houses Tuesday on suspicion they provided sophisticated measuring devices to China.

The companies failed to file the necessary prior applications for exporting the items, which were all on the COCOM control list, police said.

U.S. Agree To Study Ending Chip Monitoring *OW080543 Tokyo KYODO in English 0443 GMT* 8 Apr 88

[Text] Washington, April 7 KYODO—Japan and the United States agreed Thursday to study the possible scrapping by Japan of a price-monitoring system for

exported semiconductor chips following a ruling in late March by a General Agreement on Tariffs and Trade (GATT) panel that said such price controls contravene GATT rules.

The agreement came at a working-level bilateral session here between Sozaburo Okamatsu, deputy director general of the Machinery and Information Industries Bureau of the Japanese Ministry of International Trade and Industry (MITI), and Sherman B. Wilson, assistant U.S. trade representative for industry and services.

The move indicates the two sides may resolve the monitoring issue before a GATT council session begins in Geneva May 4. Japan began monitoring prices of exported chips following U.S. complaints that they were being sold at less than fair value in third markets.

MITI Minister Hajime Tamura will take up the issue with U.S. Trade Representative Clayton Yeutter at quadrilateral trade talks to be held in Vancouver, Canada, April 15-17, Japanese officials said.

Japan will also seek an early settlement of the issue in subsequent bilateral meetings in Tokyo April 18-22, they said.

Japan has basically accepted the GATT ruling and has shown its willingness to amend an existing bilateral chip trade agreement accordingly.

The U.S. will also honor the GATT ruling but the U.S. semiconductor industry is seeking an alternative proposal by Japan to guarantee that no dumping of Japanese chips in third-country markets will take place after termination of the existing monitoring system, they said.

MITI has urged Japanese chip makers to export their products at less than fair market prices, as determined by the ministry, and usually denies export licenses to those selling their chips below these levels.

The ministry's stringent administrative guidelines for chip manufacturers were designed to ensure compliance with the 1986 Japan-U.S. chip trade pact calling for Japanese makers to halt selling at unfair market values and to increase Japan's purchases of U.S. chips.

The GATT panel said MITI's administrative guidance violated GATT free trade rules by boosting prices of chips exported by Japanese makers to the detriment of chip users of other countries, including European Community (EC) nations.

Takeshita Meets Former FRG Economics Minister
OW080519 Tokyo KYODO in English 0340 GMT
8 Apr 88

[Text] Tokyo, April 8 KYODO—Prime Minister Noboru Takeshita and former West German Economics Minister Otto Graf von Lambsdorf agreed Friday on their opposition to the U.S. omnibus trade bill, a Foreign Ministry official said.

Lambsdorf, who met Takeshita at the prime minister's official residence, said his Government and that of Japan must inform President Ronald Reagan that they cannot accept such a protectionist bill, since it runs counter to free trade and multilateralism.

The former West German economics minister said it is necessary to block enactment of the bill.

The prime minister and Lambsdorf dwelt on this crucial issue during 25-minute talks and pledged to press the U.S. to scrap the bill, the official said in a briefing to reporters.

Lambsdorf said West German attaches great importance to the formation of an open market in Europe.

Lambsdorf conveyed West German Chancellor Helmut Kohl's message that he welcomes Takeshita's visit to his country. Takeshita, who is scheduled to visit West Germany in early May, said he is looking forward to the visit.

The former West German economics minister arrived last Thursday on a 12-day visit to attend a 3-day meeting of the Trilateral Commission, comprised of Japan, the United States, and Europe, which is to open Saturday.

Foreign Ministry on Coming COCOM Talks
OW080555 Tokyo KYODO in English 0525 GMT
8 Apr 88

[Text] Tokyo, April 8 KYODO—Japan and the United States will hold a 2-day working-level meeting April 19-20 to discuss ways of strengthening the Japanese export-monitoring system designed to prevent COCOM [Coordinating Committee for Multilateral Export Controls] violations from recurring. Foreign Ministry officials said Friday.

At the meeting, the Japanese side will export developments of investigations into two trading firms that allegedly exported sophisticated measuring devices to China in violation of the COCOM regulations, the officials said. [as received]

The case surfaced in a U.S. report to the Ministry of International Trade and Industry (MITI) last year.

Hiroshi Kitamura, deputy foreign minister, will represent Japan, while Allan Wendt, senior representative for strategic technology policy of the Department of State, will lead the U.S. delegation, the officials said.

The Japanese Government will also dispatch MITI officials to Paris to participate in a senior policy meeting of COCOM which is to start Monday, the officials said.

At the meeting, participants will exchange views on what steps each COCOM member should take, they said.

MITI To Increase Number of COCOM Inspectors
OW071233 Tokyo KYODO in English 1142 GMT
7 Apr 88

[Text] Tokyo, April 7 KYODO—The Ministry of International Trade and Industry (MITI) will increase the number of its COCOM-related [Coordinating Committee for Multilateral Export Controls] inspectors to 103 by July from the current 40 to secure rigorous enforcement of the COCOM regulations, MITI officials said Thursday.

The move, coupled with a revision of the Foreign Exchange and Foreign Trade Control Law, is aimed at preventing recurrence of illegal exports to the communist bloc, the officials said.

The decision to increase the inspectors came after exposure in April last year of COCOM-violating exports by Toshiba Machine Co. Which sold sophisticated milling machines to the Soviet Union in 1982. The machines reportedly enabled the Soviets to make quieter submarine propellers.

The increase will be strengthen the examining capacity for detecting possible violations of the COCOM regulations, the officials said.

The government earlier approved tighter legislation to control exports of militarily useful technology to communist nations. Violators will be subject to five years' imprisonment, if convicted, compared with three years at present, the officials said.

In response to a MITI notification, police searched two small trading houses in Tokyo Tuesday on suspicion of exporting high-technology measuring devices to China.

Okinawa Governor To Talk With Carlucci
OW071255 Naha RYUKYU SHIMPO in Japanese
7 Apr 88 Morning Edition p 1

[Excerpt] Governor Nishime is scheduled to visit the United States for 2 weeks beginning on 17 April. During the visit he plans to meet with U.S. Secretary of Defense Carlucci in Washington to ask for a consolidation and reduction of U.S. military bases on Okinawa.

At the meeting with the secretary of defense, Governor Nishime plans to call for: 1) an end to live ammunition firing exercises at the Camp Schwab and Camp Hansen training areas; 2) an early relocation of the Futenma air station; 3) a review of the return of facilities on condition of relocation as agreed on during the Japan-U.S. security consultations; and 4) a reduction of the U.S. Marine units stationed on Okinawa.

When he visited Washington in June 1985, Governor Nishime appealed to then Secretary of Defense Weinberger for a consolidation and reduction of U.S. military bases, but got no results at all. Hence, he will make another request along the same lines this time.

On 6 April, Governor Nishime, accompanied by Hideo Ishikawa, director of the executive office of the governor, flew to Tokyo to explain to the Foreign Ministry the contents of his requests to be made to the U.S. Government. [passage omitted]

Foreign Ministry To Hold Washington Meeting
OW080359 Tokyo KYODO in English 0244 GMT
Apr 88

[Text] Tokyo, April 8 KYODO—The Foreign Ministry said Friday it will hold a meeting in Washington Monday and Tuesday to discuss Japan's future public relations activity in the United States.

The meeting will be attended by Ambassador Nobuo Matsunaga, 13 consuls general stationed in the United States, and Yoshifumi Matsuda, press officer at the ministry.

Officials said the discussion at the meeting will be based on the assessment of current bilateral relations and American public opinion toward Japan.

Publication Mission To Be Sent to U.S.
OW071243 Tokyo KYODO in English 1136 GMT
7 Apr 88

[Text] Tokyo, April 7 KYODO—Japan's Foreign Ministry sent a mission to the United States on Thursday to promote exchange of book publications, ministry officials said.

The mission, led by Toshiyuki Hattori, chairman of the Japan Book Publishers Association, is composed of officials from publishing firms, the Foreign Ministry and the Japan foundation.

The officials said the number of U.S. books translated into Japanese and published in Japan is larger than that of Japanese books translated into English and published in the United States.

In order to improve this situation, the Japan-U.S. Conference on Cultural and Educational Interchange has been studying plans to publish a "library of Japan," they said.

The library of Japan is a collection of about 25 books on Japan including fiction, nonfiction, classics and modern literature designed to provide U.S. readers with a full picture of Japanese life and culture.

The mission was sent to further promote such studies, the officials said.

It will have talks with Marvin Stone, deputy director of the U.S. Information Agency, and visit Harper and Row and other famous U.S. publishing companies.

JCP-CPSU Talks Planned for 18 April in Moscow
OW080743 Tokyo KYODO in English 0656 GMT
8 Apr 88

[Text] Tokyo, April 8 KYODO—The Communist Parties of Japan and the Soviet Union will resume regular consultations in Moscow April 18, a Japan Communist Party (JCP) official said Friday.

Hiroshi Tachiki, chairman of the JCP's International Commission, told a press conference that a five-member party delegation, to be led by Koichiro Ueda, vice chairman of the party's Presidium and a JCP upper house member, will leave for Moscow April 17.

The period of the meeting has not been fixed, Tachiki said.

The two parties held a four-day regular consultation, the second in a series, in Tokyo from March 15 but further discussions to deepen mutual understanding are still needed, he said.

JCP chief Kenji Miyamoto and then Soviet leader Konstantin Chernenko issued a joint statement in December 1984 aimed at abolishing nuclear arms.

The two parties held their first regular consultations in Moscow in 1986.

Hokkaido To Send Economic Delegation to USSR
OW080151 Tokyo KYODO in English 0105 GMT
8 Apr 88

[Text] Sapporo, April 8 KYODO—An economic mission from Hokkaido will visit the far eastern area of the Soviet Union for 8 days in early June to promote economic ties.

Takahiro Yokomichi, governor of Japan's northernmost main island, told reporters Thursday the group will comprise about 30 high-ranking officials responsible for fishery and forestry matters as well as regional business leaders.

It will be the first time that Hokkaido has sent a group of this kind to the Soviet Union. The visit follows a memorandum exchanged between Yokomichi and officials in Sakhalin Island and the territorial capital of Khabarovsk on the Amur River which he visited last September, prefectural government officials said.

They said the mission is scheduled to have talks with Soviet provincial officials on the purchase of agricultural products and technical cooperation.

Soviets Order Fisherman To Pay Fine

*OW071301 Tokyo KYODO in English 1152 GMT
7 Apr 88*

[Text] Tottori, April 7 KYODO—A Soviet court ordered a Japanese chief fisherman Thursday to pay a fine of 2,000 rubles (about 420,000 yen) and damages of 7,136 rubles (about 1.5 million yen) for allegedly catching crabs in the Soviet 200-mile economic zone, local prefectural officials here said.

Yoshitaka Nagasaki, 44, was ordered by the Nakhodka court to pay the fine and damages coupled with confiscation of the catch, fishing gear and No. 5 Shinryo Maru carrying 12 fishermen.

The 121-ton fishing boat was seized by a Soviet patrol vessel when the boat was allegedly catching crabs in the Soviet fishing zone on January 13.

Nagasaki was convicted for violating a law concerning the continental shelf.

Uno Meets Venezuelan Foreign Minister

*OW080437 Tokyo KYODO in English 0343 GMT
8 Apr 88*

[Text] Tokyo, April 8 KYODO—Foreign Minister Sosuke Uno said Friday Japan plans to start consultations this fall with groups representing some Latin American nations trying to bring peace to Central America, Japanese officials said.

Uno made the statement in a meeting with Venezuelan Foreign Minister German Nava Carrillo who accompanied President Jaime Lusinchi on a 5-day state visit to Japan which started Monday.

The officials quoted Carrillo as saying that two Latin American groups want to promote political and economic dialogue with Japan as part of their efforts to bring peace to Central America.

The two groups are the Contadora Group, made up of four countries, including Venezuela and Mexico, and its support group composed of Brazil and three other nations.

Uno told Carrillo that he wants to hold talks with these two groups when he visits New York in September to attend a session of the UN General Assembly, the officials said.

They added Uno accepted Carrillo's invitation to visit Venezuela this year.

Australia's Hayden Urges Higher Coal Prices

*OW080805 Tokyo KYODO in English 0735 GMT
8 Apr 88*

[Text] Tokyo, April 8 KYODO—Australian Foreign and Trade Minister William Hayden Friday called on Japan to buy Australian coal at much higher prices than current levels, government officials said.

During a meeting with Japanese International Trade and Industry Minister Hajime Tamura, Hayden, who is currently in Japan for an official visit, said the Australian coal industry is suffering from low world prices, and making strenuous streamlining efforts, the officials aid.

He asked that Japan offer much higher prices for imports of Australian coal to prevent Australian miners from losing their jobs.

In response, Tamura said that although the offering price should be decided by importers themselves, he understood the Australian position, according to the officials.

Australian Prime Minister Bob Hawke recently described Japanese negotiating methods over coal and beef prices as objectionable.

A number of Australian coal mines have closed because of low world prices and the Australian Government fears more may shut down if forced to accept the prices offered by the Japanese, Australian Government officials have said.

Hayden also urged the Japanese Government to take measures to boost Japanese investment in not only real estate and tourist facilities but also other Australian industries.

Tamura replied the government intends to help expand Japanese investment in Australia on a broader front, stressing that Australia is already the fourth largest investment target for Japan, the officials said.

Miyazawa Opposes NIC Currency Adjustments

*OW080331 Tokyo KYODO in English 0255 GMT
8 Apr 88*

[Text] Tokyo, April 8 KYODO—Finance Minister Kiichi Miyazawa said Friday that Japan will not play an active role in any discussions about the possible adjustment of currencies of newly industrialized countries (NICs) against the U.S. dollar.

Miyazawa, speaking at a press conference after a cabinet meeting, denied reports that the Group of Seven (G-7) industrialized nations will take up the issue of NIC currency devaluation in a meeting in Washington on April 13 in order to discourage exports from Asia's "four dragons" to the U.S. market.

"Japan's stand toward the (NICs) issue differs from that of the U.S. The Asian NICs are able to enjoy preferential trade treatment from Japan," Miyazawa said.

The Asian NICs are South Korea, Taiwan, Singapore, and Hong Kong.

Meeting Planned To Discuss Olympic Security
OW080035 Tokyo KYODO in English 0002 GMT
8 Apr 88

[Text] Tokyo, April 8 KYODO—Japan and South Korea will hold the first of a series of meetings in Tokyo April 25-26 to cooperate in ensuring that the Seoul Olympic games this year are not disrupted by terrorism, official Japanese sources said Friday.

The sources said the first such meeting was originally scheduled to be held March 25, but has been postponed following a request by Seoul during last month's meeting between Japanese Foreign Minister Sosuke Uno and his South Korean counterpart Choe Kwang-su.

The creation of the liaison council was agreed at a meeting between Japanese Prime Minister Noboru Takeshita and South Korean President No Tae-u in Seoul in February.

The sources said the Tokyo meeting will feature an exchange of information on international terrorism, safety measures at airports and sea ports in the two countries, Japan-south Korean cooperation on a trouble-free Olympics, and future channels of communications on these matters.

The meeting will be attended by officials from eight Japanese and seven South Korean government ministries and agencies, the sources said.

Sugiyama To Become MITI Vice Minister
OW071149 Tokyo KYODO in English 1145 GMT
7 Apr 88

[Text] Tokyo, April 7 KYODO—Ministry of International Trade and Industry (MITI) Minister Hajime Tamura unofficially decided Thursday promote Hiroshi Sugiyama, director general of the Industrial Policy Bureau, to vice MITI minister in late May.

Tamura will also name Shigeo Muraoka, director general of the International Trade Policy Bureau, as vice MITI minister for international affairs, succeeding Makoto Kuroda, who will retire, ministry officials said.

Sugiyama will succeed Shinji Fukukawa, who will also retire, they said.

Nishigaki To Become Finance Vice Minister
OW071113 Tokyo KYODO in English 1109 GMT
7 Apr 88

[Text] Tokyo, April 7 KYODO—Finance Minister Kiichi Miyazawa unofficially decided Thursday to promote Akira Nishigaki, director general of the Budget Bureau, to vice finance minister, succeeding Yoshihiko Yoshino, who will retire.

Nishigaki's formal appointment will come late May after the end of the current regular Diet session, ministry officials said.

Masami Kogayu, director general of ministry's secretariat, will become the new Budget Bureau head, while Toyoo Gyoten, vice finance minister for international affairs, will retain his post, they said.

Opposition Protests Tax Legislation
OW080455 Tokyo KYODO in English 0427 GMT
8 Apr 88

[Text] Tokyo, April 8 KYODO—Diet business stalled Friday as opposition parties refused to attend deliberations in protest against the ruling Liberal Democratic Party's reluctance to reveal the scale of tax cuts in Fiscal 1988.

Each committee was to start deliberations Friday on bills related to the Fiscal 1988 state budget which was cleared by the Diet on Thursday.

The ruling party agreed with opposition parties March 30 that it would decide on the scale of tax reductions by the time the Diet approved the state budget, but it failed to meet Thursday's deadline.

A spokesman for the main opposition Japan Socialist Party said his and the other parties will not start committee deliberations unless the ruling party makes a "sincere reply" on the matter.

An LDP executive told a party executive meeting Friday morning that the LDP cannot reveal the tax cut figure but will try to respond to the opposition party in other way so that the Diet committees can start deliberations.

The Government of Prime Minister Noboru Takeshita is trying to reform Japan's tax system drastically, which may include a massive indirect tax. The opposition parties are demanding a 3 trillion yen tax cut.

LDP sources said eight government and LDP executives, including Finance Minister Kiichi Miyazawa and LDP Secretary General Shintaro Abe, will meet next Monday to summarize the contents of their reply to the opposition camp.

Diet sources said the Diet will remain stalled the whole day Friday as the ruling and opposition parties plan no official or unofficial consultations between them.

North Korea

Further Reportage on 8th SPA Session

Yun Ki-Chong Gives Budget Report

SK051305 Pyongyang Domestic Service in Korean
0600 GMT 5 Apr 88

[Report by Deputy Yun Ki-chong, minister of finance, on the agenda item "summarizing the execution of the DPRK state budget for 1987 and the state budget for 1988," at the first day's morning sitting of the Third Session of the Eighth SPA on 5 April in Mansudae Assembly Hall—recorded]

[Text] [Applause, Comrade deputies: Today we are here to discuss the results of the execution of last year's state budget and this year's state budget, in the midst of the exciting environment in which the entire population is energetically accelerating the march of great construction; and in which it is effecting a great revolutionary upsurge in all fronts of socialist construction, to make the 40th anniversary of the founding of the Republic shine as the victors' great festival, following the letter and slogans of the party Central Committee and upholding the new year's address of the great leader Comrade Kim Il-song.

The letter and slogans of the WPK Central Committee to the entire party membership, published at a time when the 40th anniversary of the founding of the Republic is approaching, has caused the whole country to seethe with a surging political atmosphere. They have also vigorously summoned our people to the all-out march designed to effect another great surge in socialist construction.

Our heroic working class, courageous construction workers, and all the country's working people, including agricultural workers, are now keeping the flames of the 200-day campaign lit with our party burning fiercely in all domains of socialist construction, with the boundless loyalty to the party and leader and lofty revolutionary enthusiasm, while performing proud labor exploits day by day. [applause]

All these innovative successes being attained amid the wild flames of the 200-day campaign, flames that fully display our people's revolutionary spirit and the heroic traits of Chollima Korea, have now unfurled a firm prospect for the successful implementation of the Third 7-Year Plan.

Easing ourselves on the popular masses' surging revolutionary zeal, we should guarantee victory for the 200-day campaign and should ahead of schedule fulfill the grand

new long-range goals set by our party by correctly executing this year's state budget and by further strengthening the foundation for the nation's finance.

I am authorized by the government of the Republic to give a report summing up the execution of the 1987 state budget and concerning the state budget for 1988.

Comrade deputies, last year was a year of glory that observed a most felicitous event in terms of our country's clean history. It was also a year of rewarding struggle which attained a shining victory in the implementation of the first year's task of the Third 7-Year Plan, the new grand goal of our country's socialist construction.

The great leader Comrade Kim Il-song has taught: Last year, our people victoriously carried out the first year's battle of the Third 7-Year Plan to realize the grand [word indistinct] long-range goals of socialist economic construction that were advanced by the sixth congress of our party.

Last year, our party, in seizing the major heights in the key industrial sectors and in the strengthening of the material and technological foundation designed to smoothly solve the issue of feeding, clothing, and sheltering the people as the strategic tasks for economic construction, vigorously summoned our people to the battle of great socialist construction.

All working people across the country who have risen as one to uphold the party's call have made a victorious breakthrough for fulfilling the Third 7-Year Plan by performing shining labor exploits in every battlefield of socialist construction, and by displaying the indomitable revolutionary spirit and mass heroism. [applause]

As new upsurges have been effected in all sectors of the people's economy, the material and technological base of socialism and the independent financial base of the country have been further strengthened, and last year's state budget was successfully executed. The total amount of our country's state budget revenue last year was 30,337,200,000 won, which is a 1-percent overfulfillment of the plan. [applause]

In the vigorous enthusiasm of great socialist construction, many new modern plants, enterprises, and work places have been built and put into operation. By effectively using the economic base that has already been provided, all sectors waged a vigorous struggle to increase production, rationalize business management, and carry out savings. As a result, revenue for the state budget rapidly increased last year by 6.3 percent over the previous year. Our country's state budget expenditure last year was 30,085,100,000 won, or 99.3 of the figure called for in the plan, a 5.9-percent increase over the figure for 1986. Therefore, the account of last year's state budget was successfully settled with a post-spending surplus of 252,100,000 won. This successfully ensured

the financial realization of the policies of our party and the government of the Republic to accelerate socialist economic construction and cultural construction, to strengthen the might of the country, and to enhance the lives of the people. This brilliant summation clearly proves the justness of our party's independent financial policy. Our party carries out the realization of socialist economic and cultural construction by firmly building a self-reliant financial base, by increasing sources of financial revenue in conformity with the people-oriented characteristics of the budget of a socialist stage, and by rationally mobilizing and utilizing the state's financial resources. It also proves the unequaled solidity of our country's state budget. [applause]

Last year's state budget was increased, above all—according to the strategic tasks of socialist economic construction put forth by our party—for fund expenditures for the people's economy by 7.3 percent over the figure for 1986, of which the investment in the basic production construction was significantly increased by 8.7 percent. In accordance with the direction of the state's investment in basic construction, last year's investment in industrial construction was increased by 9.1 percent over the budget for the previous year. Due to the active steps taken by our party and the government of the Republic, large-scale industrial construction—including the major construction projects of key industrial sectors which are of epochal significance in reaching the major goals of the Third 7-Year Plan and in solving the problem of food, clothing, and shelter for the people—was vigorously pushed ahead last year.

[Word indistinct] builders of power plants, with the enthusiasm of endless loyalty to the party, exerted endless devotion and last year successfully completed the difficult project of building the 100-ri waterway tunnel of the Taechon power plant and the first-stage project of the large-scale Songwon Dam. They further registered the brilliant exploit of completing the assembly of the first 125,000 kw generator for the Taechon No 2 power plant, and of generating power. They also vigorously pushed ahead with the construction of the Wiwon power plant, the Sunchon thermal power plant, and the third-stage project of the Sodu-su power plant. [applause]

Also, the construction of large-scale power plants important in reaching goals for electricity, such as the Kumgangsan power plant, the Yongwon power plant, and the Nanggang power plant, was accelerated. The construction of small and medium power plants was vigorously carried out, and the Sunchon lockgate, the 40th lockgate built on the Taedong River, was completed in an excellent manner.

Thanks to the devoted hard work of the working class and the builders of the mining industry last year, the new coal mines of (Poho) and (Hosa) of the Anju district coal mining complex became operational. Also, the renovation and

expansion projects of large-scale coal mines and mines, such as the Sunchon district coal mining complex and the Musan mining complex, were vigorously carried out.

Last year our metallurgical plant builders and steelworkers built a new modern steel mill according to our party's plan, vigorously accelerated the second-phase expansion project of the Kim Chaek iron and steel complex, and excellently organized a stainless steel production base and stainless steel pipe production bases that operate using a new steel-making method of our own.

Last year the government of the Republic concentrated fire power on the construction of the Sunchon vinalon complex, a general chemical industrial base which is of decisive significance in properly solving the people's food, clothing, and housing problems. It vigorously carried on the construction of the Sariwon potash fertilizer complex and will advance the development of the light metal industry and potash fertilizer industry dependent on domestic resources.

Last year the state appropriated a colossal amount of state investment, 1.5 times more than in the previous year, for the chemical and light metal industrial sectors in order to accelerate the construction of the Sunchon vinalon complex and the construction of the Sariwon potash fertilizer complex.

Sunchon vinalon complex construction workers and KPA soldiers, with burning loyalty to fulfill the great leader's far-reaching plan at an early date, displayed the spirit of indomitable struggle and incomparable sacrifice and successfully carried out the huge construction project in a short period of time. As a result, they made it possible to ignite carbide kilns and won the shining first victory in the construction of the great chemical industrial base. [applause]

Last year construction workers of Tanchon District, upholding our party's appeal, effected collective innovation and finished the expansion project of the Tanchon magnesia plant and the construction of the Unsong crushing and screening plant, thus increasing the magnesia clinker production capacities to the 2 million-ton level. They brilliantly completed the first-phase construction of the Tanchon smeltery, which is of great significance in establishing a foundation for occupying the non-ferrous metal peak ahead of schedule.

Construction workers of the building material base vigorously carried out construction projects last year to increase the production capacities of cement plants and the new cement plant construction projects. By so doing, they established a strong cement production base which will credibly guarantee the march of the great socialist construction.

At the same time, last year the expansion projects of the Sungni automobile plant and the Huichon machine tool plant were vigorously carried out, and the modern Anju

orlon spinning mill of the Namhung youth chemical complex was built and put into operation on the bank of the Chongchon River. At the same time, by the patriotism of the compatriots in Japan, the modern Mangyongdae Aeguk aluminium sash plant was successfully built.

As a result of the large-scale industrial construction last year, great progress was made in the struggle to expand and strengthen the capital and (heavy) industrial bases, and our self-reliant modern chuche industry has come to display even greater vitality.

To properly guarantee the growing demand for transport by the people's economy, last year the government of the Republic increased the investment in the transportation sector much more than in the previous year and ensured that railway construction was vigorously accelerated.

Our gallant young construction workers and railway construction workers, by accelerating railway construction in the northern area to link the east and west of the country, last year performed a shining feat of opening the railway of some 250-ri distance between Hyesan and Huju, and Unbong and Chasong. They completed railway electrification projects between Kongni and Haksong, Changhung and Yonhung, and many other districts and finished the project to change the track between Yonggwang and Sinhung into the broad-gauge railway. By so doing, they expanded the country's railway network and increased its transport capacities, thus greatly contributing to solving the problem of strained transportation.

Last year the government of the Republic appropriated a large amount of state funds, 8.9 percent more than in 1986, so that the rural economic sector could successfully accomplish the task of the rural technological revolution put forth by the theses on the rural problems of our country and so that the rural economy's material and technological foundation could be further strengthened.

Thanks to the large amount of investment by the state, irrigation, electrification, mechanization, and chemicalization were accelerated in the rural economic sector, and large-scale agricultural construction was successfully carried out. [applause]

Our agricultural working people and irrigation construction workers, by upholding our party's policy to bring the irrigation system of the country to a new high stage, vigorously carried out the dry-field sprinkler irrigation projects through an all-mass movement. By so doing, they effected many dry-field sprinkler irrigation projects in only a few months and vigorously carried out the water channel construction projects to send water from the Sohae Lockgate and the Taechon power plant to the vast reclaimed tidelands in South Hwanghae and other provinces.

At the same time, our gallant tideland reclamation workers and agricultural working people, by vigorously carrying out the tideland reclamation work in vast areas

on the west coast last year, finished the project of building the embankment of 5,200 chongbo of reclaimed tideland along the Kangyong-kang and successfully carried out the 7,100-Chongbo tideland reclamation of the Yongmi-do, the Kumsong tideland reclamation, and other large-scale tideland reclamation projects. They also vigorously carried out the battle to create new land in Paegam district in Yangang Province and in many other districts. [applause]

Under the wise leadership of our party, last year the Kwangbok Street construction and other major construction projects in Pyongyang City were vigorously carried out.

By upholding our party's far-reaching construction plan for the capital, the construction workers and KPA soldiers, who turned out in carrying out the major construction projects in Pyongyang, displayed collective heroism at every work site with high pride as capital construction workers and carried out the huge construction projects of building a grand modern street which is reminiscent of an independent urban area and of building many permanent monumental structures at an unprecedentedly rapid pace. By so doing, they have completely shown the magnificent appearance of Kwangbok Street and effected an unprecedented great innovation in the capital's construction. [applause]

In addition, last year the construction of An Sang-taek Street and the fourth-phase construction of the Pyongyang subway were brilliantly completed, and Yonggwang and Kyonghung Streets were even more excellently organized by modern residential houses, cultural facilities, and service networks. At the same time, construction of modern silicate-brick housing was vigorously carried out in the suburbs of Pyongyang and in its surrounding areas.

During last year, by rapidly carrying out unprecedentedly large-scale capital construction, we won a brilliant victory in the first march of the great construction to attain the great goals of the Third 7-Year Plan and powerfully displayed the might of our self-reliant socialist national economy which we have established through self-reliance and arduous struggle under our party's leadership. [applause]

Last year our party further increased state expenditures for scientific research in order to rapidly develop the country's science and technology and took an important step to further strengthen the material and technological foundation of scientific research.

According to the party's plan, the government of the Republic drastically increased expenditures for the development of science and technology by 32 percent over the previous year.

Our scientists, technicians, and workers, by displaying lofty revolutionary duty and creative wisdom last year, put forth many valuable scientific inventions, suggestions, and the idea of rationalization in the sector of the

people's economy. By so doing, they actively contributed to realizing the country's scientific and technological development and the technological improvement of the people's economy.

Last year the government of the Republic also appropriated a large amount of state funds for accelerating socialist cultural construction and for properly implementing many social and cultural policies to promote the material and cultural welfare of the people.

Last year the state increased expenditures on education by 5.8 percent, cultural expenditures by 1 percent, and health work expenditures by 4.3 percent over the previous year.

In the education sector, as the 10th anniversary of the publication of the socialist education theses was being observed last year, the Kim Chong-suk Teachers College was newly established and 10 colleges, including the Huichon Youth Power Industry College, the Chonchon Electronic Automation College, and the (Unjon) Industrial College, were newly established. At the same time, all levels of schools were even more excellently organized by modern educational facilities.

Due to the great effort that our party has made in educational work, universal 11-year compulsory education was applied in all areas of the country. All growing generations thus received excellent complete middle and common educations. Our country, which did not possess one college before liberation, has become a country of socialist education where 244 colleges independently and outstandingly nurture the national technological cadres that are needed by all sectors of the people's economy, and where all people study. [applause]

Today, the ranks of technicians and specialists nurtured by our party have grown into a great, proud unit of some 1.3 million. This is a noble fruition of our party's educational policy and the chuche educational program, the socialist education theses. This is also a powerful manifestation of the incomparable superiority and vitality of our country's socialist educational system. [applause]

Last year, many modern cultural facilities and the Chuk-song County People's Hospital, Kyongsong County People's Hospital, and many other treatment and preventive facilities were newly established.

Our party and the government of the Republic, who consider the promotion of the people's welfare to be the supreme principle of their activities, last year also appropriated a large amount of funds to properly implement our country's popular and communist policies, such as free education, free medical treatment, (?leave with pay), [words indistinct].

Today, our people annually receive from the state additional benefits worth several billion won through only the communist educational policy of nurturing all the country's children as (?props) of the state and society, and through the universal system of free education for all students of people's schools and colleges.

Through the enormous state fund, modern hospitals, clinics, rest houses, and other medical facilities have been constructed. In all areas where people live, a universal and complete free medical treatment system is available, and inexpensive rice, fuel, and house rentals are all guaranteed.

Thus, the additional benefits that our people annually receive through this benevolent policy of our party are also indescribable.

In our country, the tax system has long been abolished in urban and rural areas. Cooperative farms do not give even one penny to the state. They instead use their incomes totally for developing what they own cooperatively, as well as for improving the standard of living of farmers.

In addition, due to the enormous amount of state spending, productive construction is carried out to strengthen cooperative farms' economic foundation, residential houses for farmers are built free of charge, and even the benefits of [word indistinct] and social welfare are supplied.

All this has been provided by the consideration of the respected and beloved leader and our party, who unstintingly give everything so that our people can enjoy independent and affluent lives to their heart's content. At the same time, this vividly demonstrates the true superiority of our country's socialist system and its socialist financial system, under which all of society's assets are created and distributed for the people. [applause]

Over a little more than 4 months after they declared they would unilaterally reduce [forces by] 100,000 KPA officers and men by the end of 1987, while advancing the proposal last July for large-scale, phased arms reduction to alleviate the country's tension and to provide a favorable phase for peaceful reunification, the WPK and the government of the Republic successfully carried this out. Therefore, 100,000 KPA generals, officers, and men who had guarded the defense line of the fatherland were sent to many sectors of the people's economy, such as plants, enterprises, rural areas, and fishing villages. They are now bearing hammers and sickles instead of rifles.

In this connection, our party and the government of the Republic earmarked 13.2 percent of total state spending for national defense, greatly reducing the figure for national defense construction originally forecast in last year's state budget. This is a clear manifestation of the sincere efforts, due to a noble desire for independence,

peaceful reunification, and greater national unity, that our party and the government of the Republic are making to end military confrontation between the North and the South, to remove the root cause of war on the Korean peninsula, to promote national reconciliation and unity; and to hasten the country's independent and peaceful reunification. [applause]

Because a struggle was vigorously waged last year to implement our party's policies with a local budget system, the local budgets, which are an important part of the state budget, were also successfully carried out.

Last year, while raising the flames of the movement to win the title of exemplary county, all provinces, cities, and counties, in implementing a local budgetary system, overfulfilled the local budget revenue plan by 3.5 percent. They accomplished this by waging a struggle to further develop local industries according to real circumstances and conditions of resources in the relevant areas, to supply the people with large quantities of clothing and other consumer goods, and to improve the work of serving the people. In this way, they greatly contributed to the overall execution of last year's state budget by contributing no less than 890 million won to the state, after satisfactorily guaranteeing the local budget expenditures—which were increased compared to the previous year—with their own revenues. [applause]

This clearly demonstrates that our country's local budget system is a superior method of local management, one that highly displays the creativity of local areas and one that makes management in local areas be affected by local areas themselves, under the unified guidance of the state.

All these proud summations of the execution of last year's state budget clearly demonstrate that our country's state budget is an independent budget, one that gives a firm financial guarantee of the country's growth and prosperity and endless upsurges in socialist economic construction by using internal stockpiles in the people's economy; that it is a truly people-oriented budget that consolidates and develops our country's socialist system and systematically improves the people's material and cultural welfare; and that it is a budget for peaceful construction, one that embodies all the fellow countrymen's earnest desire for peace and peaceful reunification.

All the brilliant achievements attained last year in effecting socialist construction and executing the state budget are the brilliant results of the wise leadership of the great leader Comrade Kim Il-song and our party, and are leading the revolution and construction to a single road of victory. [applause]

Comrade deputies, this year, which marks the 40th anniversary of the founding of the DPRK, our honorable fatherland, what lies before us is the militant task of again vigorously displaying the honor of the Republic by scoring new great upsurges in socialist construction.

The great leader Comrade Kim Il-song has taught: This year we must display throughout the world the might of our Republic, which has emerged highly as a socialist state of independence, self-reliance, and freedom after overcoming multi-layered difficulties and trials, by again scoring great upsurges in all the fields of socialist construction. We must brighten the 40th anniversary of the Republic founding as a great festival of victors.

Correctly drawing up and executing the state budget this year is an important task in brilliantly decorating the 40th anniversary of the Republic's founding which scores new upsurges in all the fields of the people's economy. The state budget for 1988 was correctly drawn up by positively mobilizing financial resources to ensure that a new march for construction to fulfill the grand goal of the Third 7-Year Plan ahead of schedule according to this year's central task presented by the great leader Comrade Kim Il-song will satisfactorily be financially guaranteed. [applause]

The total amount of revenues and expenditures in the state budget is 31,852,100,000 won each. Compared to last year, the total amount of revenues will increase by 5 percent and that of expenditures by 5.9 percent. This means that, because our state budget revenues have increased every year in the 40 years since the Republic's founding, the scale of this year's state budget shows an increase of more than 200 times compared to 1948. Since the stern fatherland liberation war and the postwar rehabilitation construction period—during which one faced a shortage of everything and experienced difficulties—until today, the state budget of our country, which inherited the economy which was thoroughly destroyed by the Japanese imperialists, and an empty coffer and which started from nothing, has successfully guaranteed the massive financial spendings for the prosperity and development of the fatherland and for the welfare of the people based upon the country's internal resources and its own power under the wise leadership of our party. Budget revenues for this year were further heightened, giving a firm financial guarantee to our people's all-out march for fulfilling the goals of the new long-range plan. This powerfully shows the might of the socialist self-reliant national economy, whose core element is the chuche-oriented industry, an economy that the great leader Comrade Kim Il-song had built after brilliantly embodying the immortal, imperishable chuche idea, and shows the might of the independent socialist financial foundation. [applause]

This year's state budget correctly forecasts all the financial spending for effecting socialist economic construction and cultural construction and for improving the people's lives entirely according to our party's lines and policies. The 1988 state budget forecasts that spendings in the people's economy will increase by 7 percent compared to last year and that the largest share will be earmarked for capital construction again this year to ensure that the grand march for effecting construction and scoring new overall upsurges will be accelerated more vigorously.

Compared to last year, in order to expand and strengthen the productive and technological foundation of the key industries, which are of decisive significance in conquering important peaks in the Third 7-Year plan, this year the government of the Republic will increase its investment in industrial construction by 11 percent, in building power bases by 19.2 percent, in building metallurgical industrial bases by 15.2 percent, and in chemical and light metallurgical bases by 22.4 percent.

By giving priority to the power industrial sector, this year we will complete the construction of the Taechon power plant, the Wiwon power station, and the Sunchon thermal power station and the third-stage expansion of the Sodusu power station by the first half of the year. We will also effect the construction of the Kumgangsán, Yongwon, Huichon, Namgang, and Kumyagang large-scale power plants and will build more small- and medium-sized power plants in many places. [applause]

In this way, we will newly achieve more than 1.2 million kw by the first half of this year and will make epochal progress in building power bases.

In the mining industry, we will rapidly increase the coal production capacity by positively opening and expanding, on a grand scale, large-scale coal mines in the Anju, Sunchon, and Pukchang district, which have abundant reserves and which have better conditions for mining, and in the Pukpu District and various other districts by further improving technology and equipment in coal mines. We will vigorously effect construction to build the Musan mining complex as a modern, large-scale, steel-ore concentrate production base having a short-term capacity of 10 million tons and a long-term capacity of 15 million tons, and we will epochally increase the productive capacity of steel ore concentrate, nonferrous metal ores, and various other nonmetal ores by accelerating the expansion of mines in the Komdok and Tanchon Districts, the Pungsan mine, and mines in various other districts.

By concentrating our efforts on building metallurgical industrial bases, we will be victorious in completing the second-stage expansion of the Kim Chaek steel complex, will build the (?third) steel work unit as a chuche-type steel production base, and will vigorously effect the construction of a new 2-million-ton steel plant in the Chollima steel complex, thereby making great progress in the struggle to conquer the steel peak.

The construction of the Sunchon vinalon complex is a basic project to which our party is devoting its greatest efforts. The state will vigorously push forward the project of developing a 100,000-ton vinalon production capacity and construction projects for developing capacities for producing various chemical goods by continuously concentrating its efforts on building the Sunchon vinalon complex this year. The builders of the Sunchon vinalon complex, upholding our party's call, will brilliantly realize the far-reaching plan of the great leader

and our party's lofty will—to satisfactorily resolve the people's food, clothing, and housing problems—by fulfilling without a hitch the goals they have resolved to fulfill after creating a new speed, the Sunchon vinalon speed. [applause]

In the chemical industrial sector, this year we will accelerate the expansion of the Sinuiju and Chongjin chemical fiber complexes; will build [word indistinct] fertilizer plants in the Anju, Kumya, and Kochang districts and in various other districts; will accelerate the chemicalization of the people's economy; and will markedly ease the peasants' hard labor by newly building the Hamhung [word indistinct] plant, the Chongnyon [word indistinct] plant, and the Kumya salt plant.

The construction of the Sariwon potash fertilizer plant is of epochal significance in further completing the infrastructure of our industry and in strengthening its chuche-oriented nature and the country's economic strength. We will make great progress in creating chuche-oriented, large-scale light metal production bases by vigorously accelerating the construction of the Sariwon potash fertilizer plant this year. This year, in order to further expand and strengthen the country's machinery industrial bases, the government of the Republic, while vigorously pushing forward the expansion of the Sungni general auto plant and the Huichon machine tool plant, will build more new work units in various machinery plants and will also widely effect the construction of building materials industrial bases according to the demand of the grand construction.

This year, by effecting unprecedentedly large-scale industrial construction, including the construction of important projects in the key industrial sector, we will achieve a firm prospect for strengthening the might of our chuche-type industry, thus satisfactorily resolving the people's food, clothing, and housing problems and successfully fulfilling the 10-major long-range plans for socialist economic construction. [applause]

This state budget envisages the appropriation of a huge amount of capital construction funds for the construction of Kwangbok Street and other major projects in Pyongyang. The construction of major projects now under way in Pyongyang, including Kwangbok Street, is an unprecedentedly vast project of building more than 260 magnificent edifices with a total area of more than 5.5 million square meters.

This year we will fundamentally complete, prior to the felicitous national day, the construction of modern, high-rise apartments near Mangyongdae, the cradle of the revolution; a 15-ri-long central road at Kwangbok Street; a student and juvenile palace; an acrobatic theater; 9 indoor gymnasiums in the Angol sports village; a soccer stadium in Angol; the 150,000-seat Nungrado stadium; a soccer stadium on Yonggak Islet; the East

Pyongyang theater; a youth theater; a youth hotel; a tourist hotel; other numerous monumental edifices; and Pyongyang International Airport.

Builders of the capital who are infinitely loyal to the party will, by effecting constant innovations at every construction site and, thus, by excellently erecting numerous monumental structures in Pyongyang, including Kwangbok Street, will build Pyongyang city, the capital of the revolution, into a more magnificent and splendid modern city. They will thus demonstrate the honor of builders of the capital. [applause]

This year the state budget will increase investment in the communications and transportation sectors by 7.4 percent over last year. It will also more vigorously carry out railway construction so that the grand construction march will be successfully guaranteed, and so that transportation will keep abreast of ever-increasing production. This year the railway transportation sector will complete the first-phase construction of the northern railways; will embark on their second-phase construction; will accelerate the construction of new railways in many areas, including the lines between Chongdan and Tokdalli, and between Tongnim and Cholsan; and will complete the electrification of more than 550 ri of railways. The railway transportation sector will also produce many more (?8-axis) electric locomotives and 100-ton freight cars, in addition to extensively realizing the introduction of heavy-duty rails so railroad transport capability will increase epochally.

Rapidly developing the rural economy and the fisheries industry is an important task in socialist economic construction this year. This year the state budget will increase investment in the rural economic sector by (?88) percent over last year, to thoroughly implement the party's agriculture-first policy and to successfully carry out the task of the rural technological revolution, as elucidated in our country's socialist rural theses.

This year the rural economic sector will vigorously continue the reclamation of 500,000 chongbos by using the dry-field sprinkler irrigation system through a mass movement, to complete the introduction a new high stage of irrigation. The rural economic sector will also build 140 new irrigation reservoirs and more than 1,600 water pumping sites to provide sufficient water resources for dry fields.

This year, with a huge budget, the state will rapidly increase the production of tractors and increase their supply to the rural economic sector at a rate 1.3 times higher than last year's figure. The state will also supply more trucks and various other types of modern farm machinery. The state will thus vigorously push ahead with the comprehensive mechanization of the rural economy. In addition, the state will supply much more electric power to socialist rural villages, and will further

increase the supply of chemical fertilizer and agricultural chemicals to expand the success of electrification, and to actively accelerate the chemicalization of the rural economy.

This year, in an effort to constantly effect an upsurge in agricultural production, the state will invest a huge amount of funds in the construction of Soho reclaimed tideland, Changdo reclaimed tideland, Yongmae-do reclaimed tideland, and Kumsong reclaimed tideland on the west coast. In addition, the state will ensure that all rural areas wage the struggle to build more new farmland.

This year our agricultural working people, who cherish in their hearts the high honor and pride of having become the masters of socialist rural villages, will effect a new turn in all sectors of agricultural production. They will do this by carrying out farm work in a scientific and technological manner, in conformity with the chuche-oriented farm method provided by the great leader, and by pushing ahead with the four-point technological revolution of the rural economy. [applause]

This year, the state budget will increase its investment in the fisheries sector 7.5 percent over last year, to consolidate the material and technological foundation of fisheries and to therefore rapidly increase the production of marine products. In particular, the state will concentrate great efforts on shallow-water cultivation, following the great leader's farsighted plan.

This year the fisheries sector will construct extensive shallow-water cultivation sites on the East and West Seas through a mass movement. It will also build many processing bases for shallow-water cultivation products, including kelp refrigeration plants and kelp processing plants.

This year we will concentrate greater efforts on developing the country's sciences and technology to a new high stage, and on accelerating socialist cultural construction according to the decision of the recently held 13th plenary meeting of the 6th WPK Central Committee. Thanks to our party's revolutionary steps and great considerations to rapidly develop science and technology, spending on scientific research and technological development will this year increase 1.4 times over last year's figure.

By expanding the material and financial foundation to rapidly develop electronics, biology, and (?thermal engineering) in particular, in following our party's policy, the government of the Republic will this year accelerate the automation, computerization, and robotization of the national economy; will positively apply the success of modern biology in agriculture and stock breeding; and will successfully resolve heat energy. [applause]

Our scientists and technicians should more firmly establish *chuche* in their scientific research activities, brilliantly fulfill the 3-year scientific and technological development plan, and successfully resolve the urgent scientific and technological problems that arise in the practice of socialist construction.

By strengthening creative cooperation with workers in all sectors of the national economy, and thus by fanning the flames of technological innovation at all construction sites, scientists and technicians will actively contribute to further accelerating the country's scientific and technological development, and to fulfilling the new long-range plan ahead of schedule. [applause]

This year the state budget will increase social and cultural expenditures 2.2 percent over last year, to accelerate the cultural revolution and further promote the people's material and cultural welfare.

This year the state will increase spending on education 5.7 percent over last year. This is in response to the party's policy of effecting a new turn in education by thoroughly implementing the theses on socialist education. The state will thus more properly improve educational facilities at all levels of schools, including colleges. It will also build production bases for educational equipment and supplies and experimental bases. In this way, the state will further consolidate the material and technological foundation of education.

This year we will also further increase expenditures for cultural and physical education activities, to build additional cultural and athletic facilities of various kinds and to further develop culture, the arts, and sports. This year we mark the 35th anniversary of the enforcement of the free medical care system, a most superior people's health system, which has been provided by the great leader.

Enforcing such an epochal policy as the free medical care system with a huge amount of state funds in the arduous period of the fatherland liberation war was an event that could be provided only by the benevolent love of the fatherly leader toward our people and under our country's socialist system in which the people are respected and treasured.

Over the past 35 years, our country's free medical care system has developed into a universal and completely free medical care system, thanks to the constant considerations of the respected and beloved leader and our party. During this period, the disbursement of public health expenses has rapidly increased every year.

Thanks to the benevolent universal and completely free medical care system, our people, who formerly had no opportunity to receive medical care under the oppression and exploitation of the Japanese imperialists, now lead happy lives to their hearts' content, without worrying about disease. [applause]

This year the state will increase public health spending 5.6 percent over last year, to build more medical facilities, including hospitals and medical clinics, and to further perfect pharmaceutical plants and medical instrument manufacturing plants. The public health sector will not only vigorously wage the struggle to implement the decision of the 13th plenary meeting of the 6th party Central Committee, but will also further improve and strengthen public health work in conformity with the demands of the developing reality. It will additionally more properly guarantee the people's benefits from the free medical care system. The public health sector will thus protect and promote our people's health.

This year the state will appropriate a huge amount of funds to smoothly enforce various people-oriented and communist policies, including the free education system, the system of nursing and educating children with state funds, the system of supplying food and fuel with state funds, the system of leave with pay, and the social insurance and security systems using state funds.

In particular, to greet the day of 15 April, the most felicitous national day, the state will this year supply free of charge good-quality clothing, sweaters, caps, underclothes, and foodstuffs to all children and students throughout the country.

These epochal policies to be enforced this year are another warm and great love of our party, and they will greatly encourage all our working people who have risen up in the great construction march. [applause]

The local budget, one of the important components of the state budget, has been correctly compiled by actively mobilizing all local potentials this year. Local budgetary revenue this year will increase 3.1 percent over last year, and local budgetary spending will increase 10.9 percent over last year. Thus, local government organs will this year not only guarantee their budgetary expenditures for the cultural and economic development of their respective districts and units with their own budgetary revenues, but will also turn over the remaining revenues valued at 681 million won to the central budget.

In implementing our party's policy of a local budgetary system, it is important to develop local industries and service work for the people by greatly enhancing local initiative under the unified guidance of the state.

This year, local government organizations will strengthen the work of purchasing local raw materials, consolidating their own raw material bases based on local realities, and epochally increasing local industrial production by developing local trade. We will broadly organize the production of the 3 August people's consumer goods and actively carry out social food service and service activities by mobilizing local reserves and potentials.

Based on the growth of income in the local budget, all local government organizations will construct more modern local industrial plants, and will build more educational, cultural, and public health facilities, including residences, schools, and people's hospitals. This will better ensure conveniences for the people's lives.

The great leader Comrade Kim Il-song has sent an enormous amount of educational funds and scholarships totalling 38,555,950,000 Japanese yen on 106 occasions from 1957 up to the end of last year for democratic national education for the children of Korean residents in Japan. [applause]

Based on great benevolence and the lofty intention of the great leader to foster the children of Koreans living in other countries to be reliable men who will be responsible for the future of the fatherland, this year an enormous amount of educational funds and scholarships will be sent to the children of Korean residents in Japan.

The great benevolence repeatedly extended by the great leader to the children of Korean residents in Japan will greatly encourage the 700,000 Korean residents in Japan who are vigorously struggling to effect new advances in the work of Chongnyon and to expedite the independent and peaceful reunification of the nation, on the occasion of this significant year which marks the 40th anniversary of the founding of the Republic. [applause]

Even amid a situation in which the U.S. imperialists, who continuously militarily occupy South Korea, are further aggravating military confrontation between the North and the South by constantly staging large-scale military exercises, including the "Team Spirit" joint military exercise, the government of the Republic will this year set aside 12.2 percent of its state budget spending—far less than last year—for the defense budget, in following our party's policy of easing national tension and realizing favorable conditions for peaceful reunification.

This year's state budget, which is being submitted to the SPA for review, is a great socialist construction budget for financially ensuring our people's grand march movement, a movement designed to register a great upsurge in socialist economic construction and to greet the 40th anniversary of the founding of the Republic as a great festival of victors, is a solid, independent budget. It is a budget that vigorously accelerates socialist economic and cultural construction through our own financial resources, and it is a genuinely popular budget that unsparingly allocates the nation's financial resources toward further promoting the people's material and cultural welfare. [applause]

Comrade deputies: The successful execution of this year's state budget is a glorious task of struggle to produce vigorous economic assets and a financial foundation to effect a great new turning point in implementing the Third 7-Year Plan and firmly ensure the happiness of our offspring.

The great leader Comrade Kim Il-song has taught: Cherishing confidence in victory and revolutionary optimism, all party members and workers should vigorously struggle firmly united with the party by demonstrating revolutionary spirit for self-reliance and arduous struggle. They should thus again create miracles that strike the people of the world with admiration in all domains of socialist construction, and should display the revolutionary spirit of *chuche* Korea.

To successfully carry out the tasks of rewarding struggle laid before us this year, we should make all domains of the national economy more fiercely burn with the flames of the 200-day campaign by upholding the letter and slogans of the party Central Committee. We should also make the entire nation seethe with the lofty passion of loyalty and militant spirit to register a new upsurge in socialist construction.

The letter and slogans of the party Central Committee to all party members have clearly indicated the goals of combat and tasks of struggle of our people to glorify the 40th anniversary of the founding of the Republic as a great festival of victors. [applause]

Functionaries of all sectors and units of the people's economy and all working people should demonstrate the utmost devotion in carrying out the tasks of the 200-day campaign, in following the party's militant call. They should attain brilliant labor exploits so they can bring forth new victory in revolution and construction.

All sectors of the people's economy should, above all, raise the banner of the *chuche* idea and continuously and vigorously push ahead with the three revolutions—ideological, technological, and cultural. The three revolutions—ideological, technological, and cultural—comprise the general line of our party, and we should always firmly adhere to it in socialist and communist construction. Vigorously carrying out the three revolutions is the key to attaining shining victory in the battle of grand construction, and to successfully execute this year's state budget. We should firmly emphasize the ideological revolution and make all functionaries and working people prepare themselves so they can firmly arm themselves with the revolutionary idea, the *chuche* idea of the great leader Comrade Kim Il-song, think and act at all times and places as required by the *chuche* idea, and wage resolute struggle for the triumph of the *chuche* idea.

All functionaries and working people should make our party's financial policy—which embodies our party's *chuche* idea in the field of socialist financial management—their sole guiding policy, and, demonstrating endless devotion, they should highly exert the revolutionary trait of thoroughly implementing it.

While thoroughly emphasizing the ideological revolution, we should vigorously accelerate the technological and cultural revolutions, so we can brilliantly realize the task of socialist economic construction and cultural construction set for us this year. [applause]

To effect a great upsurge in socialist construction and to successfully execute the state budget this year, we should effectively carry out economic guidance and enterprise management. The great taean work system is a chuche socialist economic management system that embodies the principles of the mass line and scientific nature in economic management. It is a superior form of socialist economic management, the justness and vitality of which have been clearly proven in practice. [applause]

All sectors of the people's economy and all plants and enterprises should thoroughly defend and adhere to the taean work system, the chuche system of socialist economic management created by our party, and more highly demonstrate its superiority. All plants and enterprises should carry out managerial activities as required by the taean work system under the guidance of the party committee. They should carry out the economic task set for them by emphasizing political work and by highly evoking the revolutionary enthusiasm of the producing masses. They should also manage and operate the economy scientifically and rationally, in conformity with socialist economic law and principles of socialist economic management.

Correctly implementing the independent economic accounting system as required by the taean work system is an important requisite to rationalizing the managerial activities of enterprises and to correctly managing socialist finance. The independent economic accounting system is a system to rationally manage and operate socialist state-run enterprises. This enables enterprises to develop production, increase the state's accumulation, and accelerate economic construction by carrying out creative managerial activities with creative independence, under the state's uniform and planned guidance and control. All plants and enterprises should carry out managerial activities for themselves responsibly and rationally, rigorously abiding by the state's principle of planned management. This will thus overfulfill the state's plan in terms of both quality and quantity, and should give the state more profit by making both ends meet and increasing financial income.

Local power organs should thoroughly implement our party's original policy concerning the local budgetary system and highly demonstrate the superiority of the local budgetary system. Also, by vigorously carrying out the movement to win the title of a model county of the local budgetary system, they should ensure that all local areas themselves manage their local economy efficiently and accelerate their local economic and cultural development.

To successfully execute the vast economic construction work set for us and the state budget this year, we should mobilize and utilize inner reserves to the utmost, do away with waste, and vigorously carry out a struggle for savings. Mobilizing and utilizing inner reserves to the utmost and intensifying the savings system are the basic requirements for effecting a great upsurge in socialist

economic construction this year. This is the fundamental method for increasing the inner accumulation of the people's economy and successfully executing the state budget.

All functionaries and working people should hold aloft the party's slogan "Let us save, save, and save," and conduct a vigorous savings campaign as a mass movement. By discovering all inner reserves, they should mobilize them for socialist construction.

All sectors and all units should carry out effective labor administration work, utilize available labor effectively and to the utmost, and thereby further increase labor productivity.

Also, we should operate all equipment at full capacity and fully increase the utilization rate of existing equipment by effectively carrying out the technological management of equipment, in keeping with the constant modernization of the production process' technical provisions, and by providing good working conditions. We should additionally wage the struggle to constantly lower the norm for the consumption of materials, and to economize and save fuel and power, including electricity and coal, as much as possible.

It is important in economization to lower product costs. All functionaries and workers should powerfully struggle to produce and build more and better products at a lower cost. They should do this by frugally and assiduously managing all economies of the country, by opposing vanity, and by drastically reducing unproductive spending. This will lower the cost of industrial products and construction materials an additional 2 percent in this year's plan.

To correctly execute this year's state budget, the function and role of financial organs should be increased, and financial control and discipline should be strengthened. The state budget is a state law that regulates the country's overall economy. Correctly executing it is a sacred duty assigned to all organs and enterprises.

Functionaries of state financial organs should firmly adhere to the financial policy of the party, go deep among the sites of socialist construction, always inspect and control the financial activities of all organs and enterprises, and establish the rigorous discipline of correctly executing the state budget.

Those who directly execute the state budget, and functionaries of state economic organs and enterprises, educational and cultural organs, cooperative organizations, and other organs and enterprises should without fail and with a high sense of responsibility discharge their duty concerning state revenue. They should prevent even one coin from being liberally or vainly spent, and they should further plan and coordinate financial management.

All organs and enterprises, including financial organs, should thoroughly establish the system of financial summation, including our party's daily summation of production and finance, and strengthen the masses-oriented control of budget execution and financial management. This will fully conserve state funds and effect an upsurge in production.

Today, the revolutionary zeal and fighting spirit of our people, who are effecting new renovations every day at all sites of grand construction, with resolve to without fail complete the tasks of the 200-day campaign, are high.

All guiding functionaries should correctly organize and mobilize the elevated revolutionary passion and creative activity of the masses. They should supervise and pre-plan the work of organizing combat and of commanding production by going deep among the masses, as is demanded by the Chongsan-ri spirit and method. This will make it possible to effect a constant renovation and labor upsurges on all fronts of socialist construction. [applause]

Our guiding functionaries should break through the difficulties they face and carry out all work in a revolutionary manner with the revolutionary spirit of self-reliance and fortitude—the revolutionary spirit of Mount Paektu. They should always maintain a tense and mobilized posture in conformity with the demands of the situation, triumphantly open a breakthrough at the van of the march of grand construction, and powerfully lead the combat ranks with overflowing mettle and passion, thereby becoming honorable victors in the 200-day campaign and correct executors of the state budget.

Our people, who are vigorously advancing with high faith under the great leadership of our party, will once again display the honor of the Republic and the heroic mettle of chuche Korea by achieving proud victory in the grand battle to make the 40th anniversary of the founding of the Republic shine. [applause]

Let all of us powerfully advance to expedite victory in the battle of grand construction and the complete triumph of socialism, firmly united around the WPK Central Committee led by the great Comrade Kim Il-song, and uphold the banner of the chuche idea. [applause]

Cho Se-ung Reviews State Budget

SK071140 Pyongyang Domestic Service in Korean
0000 GMT 6 Apr 88

[Report on speech by Deputy Cho Se-ung at the first day's afternoon sitting of the Third Session of the Eighth SPA held in Pyongyang on 5 April]

[Text] [Begin Cho Se-ung recording] Comrade deputies: Last year's state budget financially guaranteed the correct policy of the government of the Republic to realize

the cause of the chucheization of the society and our people's struggle, through which great progress has been made in the socialist construction.

I fully support and favor this year's state budget. I believe it too has been correctly set forth to effect a decisive turn in the struggle to fulfill the Third 7-Year Plan ahead of schedule by upholding the far-reaching economic construction plan, and in the struggle to further improve the people's standard of living. [applause]

Even amid a situation that was extremely strained due to new war provocation maneuvers by the U.S. imperialists and their stooges and their anticommunist and anti-Republic commotion, the government of the Republic last year directed a great portion of state budget spending to basic construction that is designed to strengthen the nation's economic foundation and promote the people's standard of living.

As a result, many permanent monumental structures have been built everywhere across the country. Precious successes have also been won to contribute to achieving the growth and development of the country and the promotion of the people's welfare.

This proves that the state budget of the government of the Republic serves to fulfill the revolutionary cause of achieving the country's prosperity and the people's happiness, and that it is thus the most revolutionary and popular budget which financially guarantees our people's independent and creative lives.

In order to strengthen the economic might of the country and to increase the people's standard of living even further in a short period of time, by expanding the foundation of production and technology in the major industries of the people's economy, the great leader Comrade Kim Il-song personally set forth the major construction projects for the fuel, power, metallurgical, chemical, and many other sectors of the people's economy. He also saw to it that the state's efforts were concentrated on this.

By upholding the great economic construction plan of the great leader and his intent, last year the government of the Republic largely concentrated great efforts on building power stations to meet the country's growing demand for electricity.

As a result, in the construction of the Taechon power station, the Songwon and Taechon dams of world-famous scale were built, thus guaranteeing the (?initial stage of construction) and successfully opening the 100-ri water-channel tunnel. Many generators have already been placed into operation, thus creating power-production capacities.

The construction of the Sunchon thermal power station was also vigorously carried out, and power production has begun there. In addition, great success has also been attained in constructing the 17 March power station.

In particular, by maintaining the absolute and unconditional spirit toward the orders and directions of the party and leader, and by displaying mass heroism, it only took 40 days for the soldier-builders heading the construction of the Taechon power station and the 100-ri water-channel tunnel to finish the (basic construction). This was supposed to have taken more than 3 years to complete, even in advanced countries. However, it only took them 7 days to build the temporary dam to block the flow of water, a project that should have taken them 6 months. At the same time, as for their pouring concrete to construct the dam, even at extremely cold temperatures they poured a record 3,800 cubic meters of concrete and a maximum of 8,000 cubic meters a day.

By this unyielding fighting spirit of the soldier-builders and their bold and broad-scale work method, the construction of the Songwon dam, which was said to take 30 years if built using old methods or 10 years even if everything was concentrated on the project, was basically finished, and the construction of the 100-ri water-channel tunnel was completed in a short period of about 1 year. As a result, a breakthrough in the great nature-remaking work was vigorously opened to produce a great amount of power each year and to wet some 100,000 chongbo of reclaimed tideland on the west coast.

Last year great success was won also in the second-phase expansion project of the Kim Chaek iron and steel works to increase the country's steel production.

Metallurgical plant construction workers, with lofty pride as those who build permanent monumental structures, actively pushed ahead with the overall construction, while carrying out the lightning battle of loyalty and putting converters, ingot pourers, and oxygen separators into operation one by one.

At the same time, they also vigorously carried out construction to increase ore production at the Musan mining complex.

Under our party's energetic guidance, in the Tanchon district, too, the expansion project of the Tanchon magnesia plant, the construction of the Unsong crushing and screening plant, and the first-phase construction of the Tanchon smeltery were completed and successfully put into operation.

The construction workers in charge of these construction projects, with the courage given by our party, built 40 large buildings on a huge lot of several tens of chongbo in a period of about a year and installed a 50-ri-long conveyor belt line by vigorously carrying out a three-dimensional battle, a lightning battle.

In addition, the Tanchon smeltery was magnificently established with the largely expanded magnesia clinker production base and with modernized large production processes. As a result, a favorable way has been paved to develop the country's foreign trade and develop the people's economy at an even higher pace by processing the endless magnetite resources in Yongyang and Taehung districts and the non-ferrous metal ore concentrates produced in the Tanchon district.

It is the supreme principle of the activities of our party to properly solve the people's food, clothing, and housing problems.

The great leader Comrade Kim Il-song put forth the far-reaching plan to completely solve the people's food, clothing, and housing problems in a few years; put forth the construction of the Sunchon vinalon complex as a lifeline for the people's living; and took a revolutionary measure to have the construction of the Sariwon potash fertilizer plant be vigorously carried out.

Under the wise leadership of the great leader and our party, the great effort of the state was placed on the construction of the Sunchon vinalon complex and the Sariwon potash fertilizer plant. As a result, many things were done last year.

In particular, in the construction of the Sunchon vinalon complex, a leading chemical industrial base in the world, the overall processes of production such as vinalon, carbide, methanol, and nitrogenous fertilizer have begun to appear magnificently, and carbide production has already begun since the beginning of this year.

Our working class, KPA soldiers, scientists, and technicians, by gaining great faith and conviction in succeeding to produce carbide through restless struggle and profound scientific research, are even more vigorously carrying out the struggle to complete the construction of the plant ahead of schedule.

Our construction workers, who regard it as their supreme honor and sacred duty to be always loyal to the party and revolution, will complete the construction of the Sunchon vinalon complex and the Sariwon potash fertilizer complex ahead of schedule without fail and will certainly bring into reality the great leader's far-reaching plan of completely solving the people's food, clothing, and housing problems in a short period.

Another success won in the major construction projects last year is the construction of Kwangbok Street and other construction projects in Pyongyang, which were vigorously carried out.

The construction in Pyongyang, which was conducted according to our party's grand plan, is an enormous construction project of erecting dwelling houses with a total of 30,000 family units, including modern Kwangbok Street dwelling houses; the magnificent Nungrado

stadium; the Tongpyongyang grand theater; a 105-story hotel; various kinds of sports facilities; and cultural service facilities to be monumental creative structures of which the scale, contents, and architecture are definitely worthy of boasting about to the world. The entire party membership and the entire state concentrated their efforts on the grand monumental construction of Pyongyang, including Kwangbok Street; and the basic framework of Kwangbok Street was formed last year, with many of its facilities now completed or at their final stage of construction, thus impressing many people who visit the construction sites.

Because of the correct policy of the government of the Republic, great success was attained in the construction of the country's major facilities last year, and a great step forward was taken in the magnificent march to accelerate the complete victory of socialism. This success is a brilliant victory of our party's *chuche*-oriented economic construction line and a powerful demonstration of the might of our country's socialist self-reliant national economy as well as the solidity of the (?independent state budget).

The proud success attained in the construction of the country's major facilities last year is entirely the noble fruition of the wise leadership of the great leader Comrade Kim Il-song and the energetic guidance of the party center. [applause]

Whenever the construction of a major facility became necessary, the great leader personally decided on the construction site on the spot; and, giving a list of priorities for the construction, he taught that the investment in basic construction could be reasonably and effectively utilized. Giving on-the-spot guidance to many units, including the construction sites for the Sunchon vinylon complex and the second-stage expansion project of the Kim Chaek iron complex, the great leader exercised his leadership so that the construction could be accelerated to the maximum degree.

Developing bold and large-scale operations, the glorious party center exercised his wise leadership so that the architects and builders could have unequalled pluck and creative wisdom and could create new architectural art and construction speed with our own construction method. By sending groups of scientists and technicians to the major facilities, he also ensured that the scientific and technological problems arising in construction were solved efficiently on the spot.

In particular, the great leader and the party center last year recalled soldiers of the People's Army from front-line positions of defending the fatherland and dispatched them to construction sites of major facilities in various sectors of the national economy, thus taking an epochal step even amid the nation's strained situation. This important step reflects our people's aspiration and will to make efforts not for war but for peaceful construction and to build a prosperous socialist fatherland. By so

doing, when the U.S. imperialist aggressors and their stooges were frenziedly engaged in new aggressive maneuvers and war exercises in South Korea under the pretext of the nonexistent threat of southward invasion, the soldiers of our People's Army participated in the rewarding labor struggle for the acceleration of socialist construction and played an important role.

At construction sites of the major facilities, the soldiers, who have come to the construction sites with strong fighting spirit and passion upholding the KPA supreme commander's order, are found together with the builders; and their labor exploits, demonstrated in socialist construction, greatly encourage our people and builders.

All the successes and proud upturns attained last year in the execution of the state budget and the basic construction sectors show the solidity and invincible vitality of our country's state budget which satisfactorily fills the increasing demand of the people's economy for funds and financially supports the grand construction battle on an enormous scale, and we take great pride in this. [applause] [end recording]

The speaker continued, noting that a heavy task has been set this year for the basic construction sectors to concentrate efforts on the country's construction of major facilities and complete the construction ahead of schedule to the utmost degree, and he mentioned the methods for implementing this successfully.

He noted that the task set for the basic construction sectors is difficult and enormous, unprecedented in the history of our fatherland, but that there cannot be an unattainable target as long as they have the outstanding and refined leadership of the great leader and our party. He stressed that if the guiding functionaries of the construction sector make strenuous efforts and always work with a positive attitude, holding up the banner of the three revolutions; effectively conduct the 200-day campaign; and organize and mobilize the strength of the masses, the victory of the grand construction march will be firmly assured.

He firmly resolved to thoroughly embody the Taean work system, the most superior communist enterprise management method, successfully carry out the revolutionary task set for the basic construction sectors, and actively contribute to adding luster more brilliantly to this year, when we greet the 40th anniversary of the DPRK's founding.

Kang Hui-won Addresses Session

SK080514 *Pyongyang Domestic Service in Korean*
0600 GMT 6 Apr 88

[Speech by Deputy Kang Hui-won to the second day's morning sitting of the Third Session of the Eighth SPA]

[Text] [Begin Kang Hui-won recording] Comrade deputies: Recognizing that the state budget for 1987 presented to this session for deliberation has been brilliantly

summed up by embodying our party's economic construction policy and the state budget for 1988 has been correctly compiled to financially guarantee this year's grand construction march, I fully support and agree with them. [applause]

Constantly improving the people's standard of living and providing the working people with the conditions of a more affluent and civilized life is precisely the policy that our party and state have consistently pursued. Thanks to the people-oriented policy of the party and state that not only have consolidated the economic foundation for the country's prosperity and development and the people's welfare, but have also adhered to the principle for improving the working people's living conditions, based on this economic foundation, many changes took place last year in the lives of the working people in Pyongyang, the capital of the revolution.

Last year, by effectively utilizing the funds appropriated to the capital under the great considerations of the great leader and the party, Pyongyang City completely changed its appearance again as the political, economic, and cultural center of the country; strengthened its economic (?foundation); and more firmly providing the economic asset capable of guaranteeing a more affluent and civilized life for all citizens in the capital.

Last year, by effecting a great upsurge in socialist construction, cherishing in their hearts infinite loyalty to the great leader and the party, the working people in Pyongyang, the capital of the revolution, not only overfulfilled the state budgetary revenue plan, but also attained a revenue surplus scaled at more than 120 million won, while successfully guaranteeing the expenditure of the state budget.

Last year Pyongyang not only financially guaranteed the economic construction of fulfilling the 1st year task of the grand Third 7-Year Plan; the construction of educational, cultural, and welfare facilities; and other policies to improve the welfare of the citizens of the capital; but also returned huge amounts of surplus funds to the state. This is the brilliant victory of the line of building the chuche-oriented finance elucidated by the great leader and constitutes a powerful demonstration of the solidness of the state budget of our country which has relied on the powerful, self-reliant national economy.

Last year Pyongyang appropriated huge amounts of its budgetary funds to economic construction to guarantee affluent and civilized living conditions for the citizens of the capital; to build the capital of the revolution more magnificently and splendidly; to the construction of apartments, parks, recreation grounds, and other educational and cultural facilities; and to the building, rebuilding, expanding, and readjusting of service nets in the capital in conformity with the demands of the times.

Last year Pyongyang concentrated greater efforts on all sectors related to the people's living to enable the citizens of the capital to live a more affluent and civilized life as elucidated by the great leader and taught by the party. Along with this, last year many new workshops were built in plants and enterprises in the city, and many plants and enterprises in the city came to be equipped with modern technology. As a result, the economic scale of the capital further increased, the economic sectors and units in the city were further perfected, and the level of the modernization of these economic sectors and units was further promoted.

Chicken and duck farms, including Mangyongdae chicken farm and Pyongyang pig farm, and stock farms in the city vigorously waged the struggle to increase production of meat and eggs. As a result, last year the production of meat increased by 50 percent over the previous year, the production of eggs increased by 14 percent over the previous year, and the production of edible oil increased by 20 percent over the previous year.

In the light industry sector in the capital, thanks to the wise leadership and deep considerations of the great leader and the party, the foundation capable of supplying sufficient daily necessities such as clothing, knitwear, and shoes to all citizens has been firmly established, and the foundation capable of supplying sufficient foodstuffs, including edible oil, to the citizens has also been established.

Last year the working people and builders in Pyongyang, by effecting unprecedented revolutionary upsurges in construction to accelerate construction of numerous monumental edifices and socialist construction upholding our party's far-sighted construction plan for the capital, registered great successes in the struggle to build Pyongyang into a more splendid and beautiful paradise.

The working people and builders in Pyongyang waged a vigorous struggle, a struggle unprecedented in the history of construction, to build as many as 260 large-scale construction objects, including the construction of modern apartments and public buildings on the Kwangbok street, the construction of the Angol sports village and Angol stadium, the construction of a 105-story hotel, the construction of a stadium with 150,000 seat on Nungna islet, the construction of the East Pyongyang theater, a youth theater, and the expansion project of Pyongyang International Airport.

Last year the construction of An Sang-taek Street and the fourth-phase of the Pyongyang subway construction were completed. The second-phase construction of Cholima Street and the construction of apartments on Yongkwang Street and Yong Street were also completed. The construction of numerous silicate brick apartments was vigorously waged in the districts around the city.

Last year a modern underground shopping center, (?long-distance) service facility networks, Chilsong-dong, and many other facilities such as stores, restaurants, and service facilities—totalling some 230—were newly built, and 210 service facility networks were modernized.

Clothing plants in the city vigorously waged the struggle to perfect new production processes, trained many able tailors, and produced new clothes of various fashions. As a result, a foundation that can diversify the citizens' dress fashion in conformity with the sense of beauty of the times has been provided.

Last year Pyongyang City appropriated a huge amount of budgetary funds to the educational and cultural sectors. Paving Kim Il-song plaza with granite, a monumental work for the long-range plan, was completed. The modern (?Triumphal) movie house was opened. Some 20 large and small cultural facilities were rebuilt or expanded. Many theaters and movie houses were rebuilt in conformity with the cultural demands of the working people.

Pyongyang Agricultural College, with its modern laboratory and experiment farm, was (?built). Indoor gymnasiums, including indoor swimming pools, were built. Pyongyang Moranbong Girls' Senior Middle School, Kaeson Senior Middle School, and Song People's School were built. Many educational and cultural facilities, including Kim Chong-suk Nursery and Kaeson Kindergarten, were rebuilt or expanded.

Thanks to the people-oriented policy of our party and the government of the Republic, the funds appropriated in 1987 for the construction of production and public facilities in Pyongyang, including light industry plants, increased 12 percent over 1986, and the funds appropriated for social and cultural facilities in 1987 also sharply increased over the previous year. These funds appropriated for the capital citizens constitute a clear demonstration of the people-oriented nature of the chuche-oriented financial policy of our party and the government of the Republic.

Last year, upholding the party's local budgetary policy Pyongyang vigorously waged the struggle not only to ensure all expenditures needed for the citizens' economic activities, but also to further increase state budget revenues. Functionaries of all party and economic organs planned and coordinated the economic activities of districts and counties in the city in a responsible manner by enhancing their role of master who are responsible for the people's living and by demonstrating initiative. At the same time, they also strengthened the struggle to actively mobilize, utilize, and economize on inner reserves by highly displaying the revolutionary spirit of self-reliance and fortitude in all sectors and units. They not only waged the struggle to increase production by mobilizing and utilizing all raw material resources available in the city to the maximum, but also

further increased revenues in the local industrial sector and the local commercial service sector by vigorously conducting service activities for the citizens.

All plants and enterprises in the city, by enhancing the role of the 15 April technological innovation shock brigades and actively adopting all ideas for creation and rationalization presented, increased production by far with minimum labor efforts and without receiving additional supplies of electric power, steel materials, coal, and other fuel and materials. As a result, all plants and enterprises in the city saved the fund more than 130 million won on a city-wide scale. At the same time, they also increased the additional financial revenue by as much as 184 million won by vigorously waging the 3 August people's consumer goods production through a mass movement. As a result, the industrial prime cost dropped 3 percent and the construction prime cost dropped 9.9 percent lower than the planned cost, and local industrial revenue increased 8.3 percent above the previous year.

The commercial and service sectors actively waged service activity by concentrating greater efforts on the struggle to build raw material bases and to provide processed raw materials. The service sector increased types of services and vitalized service activities by thoroughly establishing a service system for orders received and a mobile service system. Thus, the service sector contributed toward providing conveniences for the citizens' lives and toward increasing their incomes.

Today working people in the capital are leading happy lives under our country's most superior socialist system, receiving ever-increasing additional benefits from the party and the state.

That the vast economic construction operations for the country's eternal prosperity and development are being unfolded and that state investments to epochally enhance the people's living conditions have been constantly increased despite the extremely tense situation due to the unscrupulous war maneuvers of the U.S. imperialists and their stooges vigorously proves not only the correctness and vitality of the people-oriented policies of our party and the state, which have deemed it the supreme principle in their activities to promote the people's welfare, but also the genuine superiority of the socialist system of our country.

The happy life that our working people in the capital enjoy cannot be imagined apart from the wise leadership and cares of the great leader and the party.

Last year the great leader Comrade Kim Il-song gave on-the-spot guidance at major construction sites in the city, including the Kwangbok Street construction site, and taught in detail how to expedite construction. He also personally visited the Mangyongdae Aeguk aluminum plant, a chicken farm, and cooperative farms

located on the outskirts of the city on many occasions. There, he elucidated the road along which such plants and farms should advance in the future.

The great leader, who has always had deep interest in the lives of the citizens of the capital, not only has taken measures to supply more meat, eggs, vegetables, and fruit to the Pyongyang citizens, but has also personally defined the amount of these items rationed per individual.

The glorious party center has not only always shown deep concern for epochally improving the citizens' standard of living by building Pyongyang, the capital of the revolution, more magnificently and splendidly, but has also extended deep care to appropriating huge amounts of funds every year for construction of the capital and for improving the citizens' standard of living.

Indeed, thanks to the leadership and cares of the great leader and the party, Pyongyang, the capital of the revolution, has been built more magnificently and splendidly. As a result, the citizens' standard of living is being improved. And the citizens are leading happy lives.

Today, the working people in the capital are unanimously launching into the 200-day campaign to glorify the 40th anniversary of the founding of the Republic as a great festival of victors, cherishing in their hearts single-hearted and burning loyalty toward the great leader and the party center. Thus, they are now effecting new innovations in production and construction. [end recording]

Saying that epochally enhancing the people's lives is one of the most important tasks of the Third 7-Year Plan, Comrade Kang Hui-won referred to the need to build Pyongyang, the capital of the revolution, more magnificently and splendidly and to provide more affluent and civilized living conditions for the citizens. He emphasized that all units of production and construction in Pyongyang should vigorously wage the 200-day campaign with revolutionary optimism to effect new victories and upsurges.

Yang Hyong-sop Closes Session

SK070450 *Pyongyang Domestic Service in Korean*
0300 GMT 7 Apr 88

[Speech by SPA Chairman Yang Hyong-sop to the closing meeting of the Third Session of the Eighth SPA on 7 April]

[Text] The Third Session of the Eighth SPA of the DPRK concluded on the morning of 7 April after successfully discussing the agenda items laid before the session.

The session adopted "Summarizing the Execution of the DPRK State Budget for 1987 and the State Budget for 1988" with the unanimous agreement of all participants in the session.

SPA Chairman Yang Hyong-sop delivered a closing speech to the session.

[Begin Yang Hyong-sop recording] Comrade deputies: The Third Session of the Eighth SPA—which is being held amid an exciting environment in which the entire people, rising as one in the 200-day campaign, are effecting great revolutionary upsurges in all fronts of socialist construction, and upholding the programmatic teachings of the great leader Comrade Kim Il-song and the militant calls of the party Central Committee—is about to conclude its work after successfully discussing the scheduled agenda items.

The current SPA session has summarized the fact that last year's state budget was correctly executed based on the policy of socialist construction, as advanced by the great leader Comrade Kim Il-song and by our party's finance policy, and that it has smoothly guaranteed the vast demand for funds needed to successfully carry out the first-year tasks of the Third 7-Year Plan, to strengthen the nation's might and to improve the lives of the people. [applause]

The current SPA session, in unanimously recognizing this year's state budget as having been correctly established so as to launch an epochal phase in the struggle to implement the new long-range plan in this significant year marking the 40th anniversary of the founding of the Republic by effecting new great upsurges in all domains of socialist construction, has fully supported and agreed with it. [applause]

This year's state budget will vigorously encourage our people in their struggle to carry out the decisions made at the 13th plenary meeting of the 6th WPK Central Committee, and to carry out the militant tasks reflected in the party Central Committee's letter and slogans. This year's state budget will also actively contribute toward successfully implementing this year's national economic plans.

The current SPA session has once again proven the superiority and might of our state system, which is endlessly consolidating itself and developing under the wise leadership of the party and leader, and which has reliably provided a guarantee for new victories and advances in the nation's socialist construction and work designed to promote the general welfare. [applause]

With the conviction that under the leadership of the party Central Committee, led by the respected and beloved Comrade Kim Il-song, all domains of the national economy will correctly execute this year's state budget, and that the entire population will make the 40th anniversary of the founding of the Republic shine as a great victor's festival by vigorously carrying out the 200-day campaign and the great march of construction,

and that they will initiate a firm prospect for successfully implementing the Third 7-Year Plan, I declare the Third Session of the Eighth SPA of the DPRK closed. [applause] [end recording]

Comparison of Continuing Budget Debates Report

Pyongyang Domestic Service in Korean at 1200 GMT on 6 April carries a 3-minute report on the continuing debate at the second day meeting of the Third Session of the Eighth SPA.

The Pyongyang Domestic Service version of this report has been compared with the KCNA English version published in the 6 April North Korea section of the East Asia DAILY REPORT, revealing the following variation: Page 5, column two, paragraph two, only sentence reads in the Pyongyang Domestic Service version: Saying that although the tasks facing us this year are vast, there is nothing that we cannot do as long as we are under the wise leadership of the great leader and our party, as long as there exist the powerful socialist material and technical foundation, and as long as there exist the high revolutionary zeal and creative power of the people who are loyally upholding the party leadership, the speakers expressed the determination of all leading functionaries to go deep among the masses and properly organize their creative initiative and ingenuity, in high spirits and full of vigor, as required by the chongsanri spirit and the Chongsanri method, and thus attain new victories in all units of production and construction.

Armitage Remarks on Troop Pullout Decried SK080449 Pyongyang KCNA in English 0437 GMT 8 Apr 88

[Text] Pyongyang April 8 (KCNA)—Assistant Secretary of U.S. Defence Department Armitage described the argument for the U.S. troops pullout from South Korea growing within the United States as "irresponsible" and prattled that the U.S. troops should be made to perform certain "feats" in South Korea, according to a radio report from Seoul April 6.

He even ridiculously claimed that so-called "democratic elections" could be held in South Korea and someone's "threat" could be "deterred" because the U.S. troops were occupying South Korea.

This was a brigandish outburst to justify the perpetual occupation of South Korea by the U.S. imperialist aggression troops, which revealed the U.S. aggressive designs on Korea.

All the more preposterous is his claim that the U.S. troops are "a deterrent to war".

Bringing up the Olympics, he said that South Korea should pay attention to a "fair share of burden", this was intended to burden the South Korean people with a greater amount of war expenses.

No artifice to justify the U.S. troops' occupation of South Korea and shift its burden on to the South Korean people will work any more.

'Ominous' U.S., South Olympic Moves Viewed SK081126 Pyongyang Domestic Service in Korean 0006 GMT 8 Apr 88

[NODONG SINMUN 8 commentary: "Ominous Moves by Those Who Are Building Up the Military Under the Pretext of the Olympics"]

[Text] The military commotion being kicked up by the U.S. imperialists and the South Korean puppets, with the 24th Olympiad approaching, is ominous.

Although hosting the Olympics requires a peaceful environment, military moves, which do not sit well with the Olympics and which are contrary to such an environment, are becoming undisguised in South Korea.

The U.S. Defense Department has recently issued a directive to the U.S. forces occupying South Korea to be in a posture of increased vigilance under the pretext of providing security for the Olympics and then announced plans to stage a full-scale show of military force on the Korean peninsula and its neighboring areas by mobilizing aggressive forces, including an aircraft carrier battle group.

Last 28 March, the commander of the U.S. Pacific Fleet publicly stated that the U.S. imperialist forces of aggression participating in the "Team Spirit" war exercise, including an aircraft carrier battle group led by the "Midway," will not be withdrawn until after the Olympics, but rather will stage military exercises in South Korea and its neighboring waters.

The U.S. Senate Armed Services Committee has made public that South Korea is the only country in the Pacific that is included in the so-called plan for assistance during war and is, therefore, to continuously benefit from practical combat support, such as ammunition and reinforced manpower.

Meanwhile, Sigur, who is well versed in strategy, despite being a State Department official, had a secret talk with the puppet defense minister over continued U.S. support for security during the Olympics as soon as he arrived in Seoul a few days ago.

Timed to coincide with this, even the South Korean puppets have taken the measure of placing the puppet army and police in a high level of combat readiness, in allusion to us, under the pretext of security for the Olympics.

No sooner had he come into power than traitor No Tae-u, saying that fighting power should be ensured to counter a so-called provocation, began to show enthusiasm for fanning war fever. Meanwhile, the puppet military caudillos cry for punitive retaliation, viciously picking a fight with us by referring to operations to hamper the Olympics or armed provocation.

No one considers all this ominous military commotion by the U.S. imperialists and the South Korean puppets to be something for the Olympics. No trace of the Olympic ideals or the spirit inherent in the Olympics, which were designed to seek to achieve peace and friendship, can be detected in these moves.

The "Team Spirit-88" joint military exercise, the largest ever staged, is being frantically staged in South Korea, with a view toward mounting a preemptive strike against our Republic. Because of such criminal maneuvers by the U.S. imperialists and the puppets, and because of nothing else, the Korean peninsula is in the midst of a grave situation with the potential for causing war to break out at any time.

However, the U.S. imperialists and the puppets are now saying that they will continue their military provocation commotion with the additional military forces that they have brought in under the pretext of providing security for the Olympics. Where do they intend to lead the Olympics and the situation on the Korean peninsula?

More often than not the U.S. imperialists and the puppets babble about security for the Olympics. Not one gun or ship is needed to host the Olympics. Military buildups and military exercises are necessary only for war.

It is no accident that foreign news reports, commenting on the U.S. imperialists' maneuvers to build up the military under the camouflage of the Olympics, denounce and express their concern that the United States is now scheming to assemble a team equipped with munitions, not soccer balls or vaulting poles, to participate in the Seoul Olympics.

The military buildup and military exercises being carried out in South Korea are nothing but a product of the U.S. imperialists' aggressive strategy toward Korea and Asia and their babbling about security for the Olympics is no more than a shield to justify their criminal maneuvers to provoke war.

This is evidenced by the fact that already in the so-called annual security consultative meeting held last May, the U.S. imperialists and the South Korean puppets decided to reinforce the exchange of early warning and strategic information, to beef up the aggressive armed forces in South Korea to a yet unknown scale, and to stage the "Team Spirit" war exercise on a still greater scale and have frantically accelerated war preparations.

The stark reality is that the U.S. forces occupying South Korea and most of the puppet armed forces have now been deployed in forward areas close to the Military Demarcation Line according to the U.S. imperialists' plan to provoke war, an unknown quantity of reserve war materials have been stored in South Korea and Japan and other places, and strategic anticommunist commotions and military provocations intended to push the situation over the brink of war are viciously being carried out.

All these are things that can exist only on the eve of war and a clear indication of how doggedly the U.S. imperialists and the South Korean puppets are maneuvering to light the torch of war.

An examination of the history of war shows that never have the imperialists declared war on any other country before preparing for war. On the eve of the past Korean war, as well, the U.S. imperialists and the South Korean puppets lit the torch of war after building up their armed forces and massing them in areas close to the 38th parallel, while spreading the theory of a crisis in either May or June and then lit the torch of war of northward invasion, babbling about someone else's provocation.

In view of the bad habits the U.S. imperialists have formed and in view of the reckless strategem and provocative commotions they have kicked up under the pretext of the Olympics by linking them to us, it is possible they would go to such lengths as fabricating a shocking strategic incident in connection with us, triggering a war of invasion by using the incident as an excuse, and then laying the blame on us for having disrupted the Olympics. This is an observation held unanimously by all the people of the world.

The No Tae-u ring's recent babbling about something like a declaration of war or punitive retaliation in reference to someone else's provocation in the manner of a frightened man can be called a prelude to such a strategic maneuver.

Fair world opinion comments that the U.S. imperialists and the South Korean puppets are about to transform the 24th Olympiad into a repetition of the 11th Berlin Olympiad which led to World War II. This is not at all a baseless argument.

We are watching, with a high degree of revolutionary vigilance, to see the U.S. imperialists and the No Tae-u ring who are scheming to provoke first and strike at us on some excuse after bringing in their armed forces and kicking up a commotion of military adventure under the pretext of the Olympics.

As for us, we have no intention of concerning ourselves with whatever happens in South Korea, let alone any intentions to meddle in them by means of force [muryo-guro kaeiphal saengagun touk opta]. On not a couple of occasions have we stated as such. The truth of our statement has been confirmed by historical facts of the past several decades.

In connection with the Olympics, as well, we have demanded that the North and the South cohost the Olympics corresponding to the Olympic ideal and the cause of peaceful reunification and we are still calling for discussion and settlement of this issue by convening a North-South joint conference even at this moment. It is highly obvious that our efforts as such do not pose any threat to anyone.

Under no circumstances can the criminal maneuvers by the U.S. imperialists and the No Tae-u ring, who are trying to use the Olympics, a festival of peace, friendship, and unity as an instrument in provoking war, be condoned.

If, despite our warnings, they kick up commotions of military provocation under the pretext of the Olympics and in the end take the road of war, they will have to take full responsibility for all the consequences that arise therefrom.

Daily Accuses U.S., South of Olympic 'Racket'
SK080519 Pyongyang KCNA in English 0507 GMT
8 Apr 88

[Text] Pyongyang April 8 (KCNA)—NODONG SINMUN Friday accuses the U.S. imperialists and the South Korean puppet clique of their dangerous military racket with the approach of the Olympic games.

A signed commentary of the paper says:

The U.S. Defense Department recently published a "plan of a wholesale military demonstration" of aggression forces in and around the Korean peninsula. And the commander of the U.S. Pacific Fleet declared that the U.S. imperialist aggression forces involved in the current "Team Spirit" maneuvers would remain and stage military exercises in South Korea and its surrounding waters till the end of the Olympic games.

Meanwhile, the South Korean puppets cried for "reprisals" against the North allegedly for its "obstructions to the Olympic games."

This ill-boding military racket is intended to invent a pretext to justify the war provocation moves of the U.S. imperialists and the puppets.

Either in view of the ill habit of the U.S. imperialists and the South Korean puppets or in view of their groundless smear campaign and thoughtless intrigues and provocations against the North under the pretext of the Olympics, they might fake up a shocking incident allegedly connected with us and unleash a war of aggression on that pretext before charging the North with the breakup of the Olympic games.

Now unbiased world opinion views that the U.S. imperialists and the South Korean puppets intend to make the 24th Olympic Games a replica of the 11th Berlin Olympic games which heralded the Second World War.

We are watching them with heightened revolutionary vigilance.

Whatever happens in South Korea, we have no idea of meddling in it or making an armed intervention. More than once have we declared this position, which has been proved by historical facts over the past decades.

As for the Olympic games, we demand that the games be co-sponsored by the North and the South in accordance with the Olympic idea and the cause of peaceful reunification. Now we insist on holding a North-South joint conference and settling this problem there.

If the U.S. imperialists and the South Korean puppets resort to sabre-rattling under the pretext of the Olympics and persistently drive at a war, they will have to bear full responsibility for all the consequences arising thereupon.

VNS Commentators Urge Olympic Cohosting
SK070706 (Clandestine) Voice of National
Salvation in Korean to South Korea 0300 GMT
6 Apr 88

[Roundtable discussion with station commentators Yun Chong-won, Kim Chol-min, and unidentified moderator: "We Should Arrange a Turning Point in National Harmony Through Cohosting the Olympics"; date and place not given—live or recorded]

[Text] [Moderator] How are you? In connection with the upcoming summer Olympics, the South Korean dictatorial fascist military regime and the U.S. imperialist aggressors have insisted on holding the Olympics exclusively in Seoul. However, our masses and the peace-loving people of the world have strongly insisted on the international games being cohosted in the North and the South.

Cohosting the 1988 Olympics should be realized without fail for national harmony and reunification. I believe that cohosting such international functions as the Olympic games in the North and the South constitutes a very good opportunity for arranging a turning point in achieving national harmony and reconciliation. Therefore, during this hour I would like to discuss this problem with you.

[Yun Chon-won] As the day in September slated for the opening of the 1988 Olympics draws nearer, voices that call for cohosting the 1988 Olympics in the North and the South grow louder at home and abroad. These voices are too righteous, in light of the need for national

harmony and from the standpoint that a turning point in achieving national reunification should be arranged through the Olympics, an international event that promotes friendship.

Now, why should the 1988 Olympics be cohosted in the North and the South? This problem is closely related to the fact that the country is a divided country. As we well know, if one side of the North and the South of our country holds the Olympics exclusively, this will result in further inciting the splittists' maneuvers to permanently divide our country and, thus, to fabricate two Koreas, further aggravating confrontation and antagonism between the North and the South and making tension on the Korean peninsula more acute.

[Kim Chol-min] That's right. Cohosting the 1988 Olympics in the North and the South is of great significance internally and externally. In other words, cohosting the 1988 Olympics in the North and the South would be conducive to alleviating the tension that prevails on the Korean peninsula and to preventing a war there. Cohosting the 1988 Olympics in the North and the South would also be greatly conducive to removing misunderstanding and distrust between the North and the South, to promoting mutual understanding and trust between them, and to achieving a breakthrough in the country's peaceful reunification.

Another significance that cohosting the 1988 Olympics in the North and the South has is that our nation's unity, wisdom, and ability can be demonstrated to the world. Therefore, if cohosting the Olympics is realized, it would undoubtedly be our nation's glory.

[Yun] Cohosting the 1988 Olympics has great significance internationally. Realizing the cohosting of the Olympics in the North and the South would greatly contribute not only toward developing the spirit of the Olympics in a sound manner, but also toward strengthening friendship and cooperation among the peace-loving people of the world and promoting sound development of the sports movement.

[Kim] Another significance that cohosting the Olympics in the North and the South has is that it can not only smoothly resolve a series of problems and obstacles that the Olympics face today, but also make the Olympics a genuine sports festival.

[Moderator] I believe this is why all of our people, including the compatriots in the North, the South, and overseas, are unanimously calling for cohosting the Olympics and all the people in international society have also insisted on cohosting the international games in the North and the South.

However, the proposal for cohosting the 1988 Olympics in the North and the South, which has become a matter of great concern at home and abroad, faces many difficulties and obstacles today because of maneuvers by splittists at home and abroad. Would you comment on this?

[Yun] Yes, that is correct. The failure to realize the proposal for cohosting the 1988 Olympics in the North and the South is because of maneuvers by the United States, the Japanese ruling circle, and the No Tae-u ring to host the Olympics exclusively in Seoul.

[Kim] Such plots to host the 1988 Olympics exclusively in Seoul have been vividly proven by the fact that the No Tae-u ring, after refusing to agree to the reasonable proposals advanced at the Lausanne meeting, has clung to its tactics of stalling for time. If it really and sincerely wants the country's reunification and is concerned about the interests of the nation, the No Tae-u ring should cohost the 1988 Olympics in the North and the South or should move the venue of the Olympics elsewhere. This notwithstanding, the No Tae-u ring has not only opposed cohosting the Olympics in a bid to utilize them for its security of power prolongation, for North-South confrontation, and for war preparations, but has also schemed to have only some events held in Pyongyang.

[Yun] The Japanese reactionaries and the No Tae-u ring have desperately opposed North-South Olympic cohosting. Their opposition is designed to use the Olympics for their impure political purposes. Their main objective is to make South Korea appear as an independent country by upgrading its image in international society, so they can conceal South Korea's existence as a U.S. colony. Other objectives are to fabricate two Koreas through the realization of the big powers' cross-recognition of the North and South, and to ignite a war by aggravating North-South confrontation and tension.

[Kim] I think the Olympics should be brought into our country after it is reunified, or at least should be hosted in our country after a North-South confederal state is established. There is no precedent in the world in which the Olympics were hosted in a divided country. Seoul was chosen for the 1988 Olympics due to the maneuvers of the U.S. and Japanese reactionaries and the No Tae-u ring to use the Olympics for impure political purposes. Therefore, they have insisted on Seoul's hosting the 1988 Olympics exclusively, while opposing a change in the venue of the Olympics.

Because our country has been divided in two, the venue of the Olympics should be moved from Seoul to somewhere else, or they should be cohosted by the North and South. We can choose one of the two. If a choice is to be made, I think the latter is better than the former. In other words, we should arrange a turning point in achieving national harmony and peaceful reunification through North-South Olympic cohosting.

[Moderator] Our people's unanimous desire is to arrange a turning point in achieving national harmony and reunification through North-South Olympic cohosting. How and what should our people do to realize this desire?

[Yun] I think our nation should think and act, giving priority to national interests. In other words, all of our nation should look ahead toward national interests and the future of the country, firmly adhering to the stand of patriotism and love for the nation, while transcending the differences in systems and ideologies. Our nation should thus consider and judge in a rational manner the benefits and contributions of the Olympics to our nation, if they are cohosted in the North and South, and the serious consequences that might result if Seoul hosts the Olympics exclusively.

Our nation is a single nation with a long 5,000-year history. Our nation is also a wise and brave nation. Therefore, our nation is not a nation that should live divided as two states. Our nation is a single nation that should live in peace and prosperity. Therefore, our nation should oppose and reject anything that runs counter to national interests.

[Kim] You are correct. Our masses should vigorously join in the struggle to oppose holding the 1988 Olympics exclusively in Seoul, and to realize North-South cohosting. We should not only expose the impure political conspiracy by the splittists at home and abroad, but also inspire the masses to unconditionally rise up in the struggle for cohosting the Olympics. At the same time, [passage indistinct].

[Yun] Our masses should vigorously join the struggle against the maneuvers of the United States and the No Tae-u ring to abuse the 1988 Olympics for their impure political purposes.

[Moderator] Summing up your statements thus far, [passage indistinct]. Therefore, our masses should struggle against the United States and the No Tae-u ring, which have opposed the cohosting of the 1988 Olympics. Thank you.

CPRF Denounces No Group's 'Crackdown'
*SK080459 Pyongyang KCNA in English 0450 GMT
8 Apr 88*

[Text] Pyongyang April 8 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland in its information No. 457 dated April 7 denounced the No Tae-u group for bestially cracking down upon those students and workers who rose in the anti-U.S., anti-"government" struggles.

Recalling that the No Tae-u puppets suppressed a recent meeting of more than 2,500 students of Kyongsang University in Chinju opposing the imports of U.S. agricultural and livestock products and denouncing

police violence and a "national workers' meeting" involving more than 5,000 students of 15 universities and workers affiliated with 13 labour organisations in Seoul, the information says:

The No Tae-u group's suppression of the righteous struggle of students and people at the point of bayonet is an unpardonable crime trampling underfoot justice, patriotism and democracy.

This fact reveals that "democratic progress" and "national harmony" on the lips of the traitor No Tae-u are a camouflage for the fascist rule and a repressive slogan.

The brutal suppression of South Korean students and people by the No Tae-u group is a forestalling attack aimed to break the fighting spirit of South Korean people of all strata against U.S. imperialists for independence and against dictatorship for democracy which will surge all the higher with the approach of the 28th anniversary of the April uprising and the puppet National Assembly elections. Steadfast is the determination of the South Korean people to build a new independent and democratic system free from foreign domination and subjugation and the military rule. No force can break it.

SKNDF Scores No's Kwangju Affair Proposal
*SK071537 Pyongyang KCNA in English 1510 GMT
7 Apr 88*

[Text] Pyongyang April 7 (KCNA)—A spokesman of the South Korean National Democratic Front (Hanminjon) made public a statement on the petty trick of the No Tae-u group to abuse even the Kwangju tragedy as a political plaything for the "security" of their "power", according to radio "Voice of National Salvation."

Dismissing the No Tae-u group's "plan" as a mere deceptive remedy, the statement says:

They are now again trying to gloss over the Kwangju incident. This is not an act to clarify the truth of the Kwangju incident but a stopgap measure to veil the core of the matter by using a better name to sell inferior goods. It is not to realise the idea of the Kwangju popular resistance but to uproot it totally and to mitigate the painful wounds of the people with a few penny and guarantee the "security" of their power.

No Tae-u's "plan" is a preventive strategic arrangement to block the crater on the eve of a volcanic eruption and to wade through the crisis and another trick to fool the people and allure them with the "National Assembly elections" in the offing.

The statement stresses:

With no crafty ruse can the No Tae-u group conceal the truth of the Kwangju incident or evade being the target of grievances of our people or dampen the people's desire to carry the cause of the Kwangju popular resistance to accomplishment.

Christians Send Appeal To South Counterparts
SK080525 Pyongyang KCNA in English 0514 GMT
8 Apr 88

[Text] Pyongyang April 8 (KCNA)—The Central Committee of the Korean Christians Federation sent an appeal to the South Korean Christians on April 7 in connection with the acts of some South Korean Christians insulting the declaration adopted on February 29 at the 37th general meeting of the South Korean Council of Christian Churches.

The appeal says:

The "Declaration of Christian churches on the nation's reunification and peace" adopted at the general meeting is a patriotic one for national salvation which reflects the powerful trend toward independence and democracy, peace and reunification sweeping South Korea.

This declaration is now evoking sympathy and support from all sections of personages including Christians in the North and the South, but some churchmen of South Korea called "leaders of ordinary believers" framed up the so-called "joint measure committee of the ordinary believers of all religious orders" against the declaration of the Council of Christian Churches, branding it as an assertion sympathizing with the North's "strategy for communizing South Korea."

They say they oppose the assertion of the South Korean Council of Christian Churches because it is identical with that of the North. This is a treacherous and anti-reunification act of blindly pandering and betraying the fellow countrymen, not telling right from wrong.

The "joint measure committee of the ordinary believers of all religious orders" is a subsidized organisation manipulated by the U.S. imperialists and the No Tae-u group behind the scene.

It is our creed that justice and injustice are incompatible with each other and light and darkness cannot accommodate each other. It is the obligatory stance of true Christians to dedicate themselves to justice and peace, carrying their cross of sacrifice and saviour.

The appeal calls for efforts to realize the convocation of a North-South joint conference and for active assistance to the just proposal of students to hold North-South students talks.

Economic, Scientific Note Signed With Romania
SK081013 Pyongyang KCNA in English 1001 GMT
8 Apr 88

[Text] Pyongyang April 8 (KCNA)—A protocol of the 13th meeting of the inter-governmental economic and scientific-technological consultative committee of the Democratic People's Republic of Korea and the Romanian Socialist Republic was signed in Bucharest on April 5.

It was signed by Vice-Premier of the Administration Council Hong Song-nam and First Deputy Prime Minister of the Government of Romania Ion Dinca.

KCNA Details Construction of New Factories
SK071112 Pyongyang KCNA in English 1500 GMT
7 Apr 88

[Text] Pyongyang April 7 (KCNA)—New factories are under construction in different parts of Korea in the current 200-day campaign.

One of them is the modern Kumya saltworks on the east coast.

The saltworks will massproduce salt by an industrial method. Its annual output will be equal to that produced in salt fields equivalent to the crop area of a county and its construction cost is less than that of reclaiming tidelands to make salt fields. And it will be able to keep salt production going up, not affected by climate condition.

The constructors of the Sunchon vinalon complex have recently begun building a protein feed plant.

The plant will feed on raw materials produced by the complex.

The plant will produce 300,000 tons of protein feed.

South Korea

1,300 Assembly Candidates Begin Campaigning
SK080623 Seoul YONHAP in English 0556 GMT
8 Apr 88

[By O Chae-suk]

[Text] Seoul, April 8 (YONHAP)—More than 1,300 candidates hoping to win National Assembly seats embarked on the 18-day official campaign period Friday as the Central Election Management Committee officially announced that the elections will be held on April 26.

The general elections, the 13th in Korea's history, will mark the first time in 17 years that parliamentary elections will be held in Korea using the small constituency system, under which 224 of the total 299 lawmakers will be elected through a popular vote with only one

lawmaker representing each district. The remaining 75 seats will be distributed among the parties which win five seats or more in the popular vote.

The electioneering has been marred from the beginning by its intensity and by illegal campaign activities on the part of both the ruling and opposition parties while the expected candidacies of some 200 independents are likely to make the elections the most competitive, crowded and confused in the four-decade-long modern Korean political history.

The government party, led by President No Tae-u who was inaugurated on Feb. 25 for a single five-year term, hopes to win at least 125 seats, or 56 percent of the 224 seats allotted under the direct parliamentary voting, virtually assuring it of an additional 41 seats under the proportional representation system.

Under the system, the party which wins a majority of seats is entitled to 41 seats in the 75-seat national constituency but if the winning party obtains only a plurality, it is entitled to only 38 bonus seats. The DJP will also endeavor to win nationwide support rather than focus on particular regions.

During the campaign, the ruling party will seek to expose corruption scandals and wrongdoing allegedly committed during the seven-year rule of former President Chon Tu-hwan in an apparent attempt to show voters that the government of No Tae-u is far different from Chon's Fifth Republic.

The DJP strategy is also expected to focus on the divisiveness of the faction-ridden opposition camp and possible disorder in state affairs that might come to pass if the opposition becomes the majority party. Corruption scandals, particularly those allegedly involving Chon's younger brother, Chon Kyong-hwan, who was recently placed under formal arrest, are being politicized by the opposition parties and are expected to become a central issue during the campaigning.

The Reunification Democratic Party, virtually led by Kim Yong-sam, who finished second in the presidential election last December with 28 percent of the vote, hopes to win 80 seats in the direct election and 20 seats in the national constituency—the combined number of lawmakers needed to block the ruling party from unilateral passing a constitutional amendment requiring the approval of two-thirds of the 299-member Assembly.

The Party for Peace and Democracy [PPD], the second major opposition party led by Kim Tae-chung, seeks to obtain 70 seats in the popular voting, which it said would make the PPD the leading opposition party in the National Assembly. Kim came in third in the Dec. 16 presidential election with 27 percent of the vote.

The New Democratic Republican Party, headed by Kim Chong-pil, a former prime minister during the presidency of Pak Chong-hui, hopes to bag more than 20 seats in the Assembly. Under the Constitution, any political party or group with more than 20 sitting members in the National Assembly can form its own floor group and participate in partisan negotiations on convening the Assembly.

The three major opposition parties, while competing against each other in a bid to become the major opposition party, will share the strategy of appealing to voters for the need to foster a healthy opposition that can check the government. They are also expected to label the current Sixth Republic a continuation of what they term the scandal-ridden government of former President Chon, a classmate of No Tae-u at the Korea Military Academy.

Political observers here have expressed concern over the intensity of the electioneering and the possibility that the elections will resemble the December presidential contest characterized by divisive provincialism and dominated by the personalities of the individual candidates rather than their parties' positions on issues.

As of Friday, a total of 1,072 candidates had been nominated by parties to run in the elections. More than 50 opposition candidates who have not yet been selected are expected to register with the Central Election Management Committee as official candidates before the April 13 deadline. The candidates are to engage in joint campaigning until April 25, the day before the nation's 26 million eligible voters go to the polls. The number of actual voters in the general elections is expected to surpass the turnout in the December presidential election by some 150,000, according to the committee.

Meanwhile, the DJP and the three major opposition parties held separate news conferences to appeal to the nation for support of their candidates and pledged victory in the elections.

Chae Mun-sik, DJP chairman, said his party will show that it is ready for a mature judgment of the people as it focuses on three major points during the elections—fair campaigning, discussion of issues, and acquisition of a stable number of seats. Chae, the No. 2 man in the ruling party, also announced the party's basic position—that the DJP places more emphasis on election fairness rather than victory or defeat.

Kim Myong-yun, acting RDP president, said the elections carry important significance as the people should distinguish democratic from dictatorial elements, and conscientious from corrupt elements. Kim appealed to the people to vote for his party so that the RDP can be a healthy and orthodox opposition party strong enough to thwart the reigning forces from indulging in dictatorship and corruption.

Kim Tae-chung, former president of the PDP, accused the government of President No Tae-u of lacking the ability and the willingness to usher in a democracy desired by the people while labeling it a continuation of the military and dictatorial regime of former President Chon.

Kim Yong-tae, chief of the New Democratic Republican Party's election headquarters, issued a statement saying that genuine democracy in which the parliament is the center stage of politics will only be possible when his party, with its accumulated experience and record of governing the country in the past, holds a large number of seats in the Assembly.

Kim Yong-sam Urges 'Bipartisan' Saemaul Probe
SK080712 Seoul YONHAP in English 0636 GMT
8 Apr 88

[Text] Pusan, South Korea, April 8 (YONHAP)—Opposition leader Kim Yong-sam demand Friday that the government of President No Tae-u form a bipartisan body to conduct a fair investigation into the corruption scandals allegedly involving former President Chon Tu-hwan and his relatives.

Kim also demanded that No clarify his role as the then home affairs minister, the person ultimately responsible for the Saemaul Undong (New Community Movement) Headquarters, when the corruption took place involving Chon Kyong-hwan, younger brother of the former president, who led the headquarters over the past seven years.

Kim charged that President No, during his service as home affairs minister, supported the younger Chon, adding that all the ex-home ministers should be arrested if they are found to have been involved in the corruption.

Kim, former president of the leading opposition Reunification Democratic Party, said he would accept none of the investigation results and punishment in connection with the corruption scandals involving the Saemaul Movement and the younger Chon, unless his demands are met.

The younger Chon was arrested by the prosecution late last month on corruption charges involving millions of dollars. He is still under investigation by the prosecutors for further charges, including capital flight abroad.

Calling for thorough probes into other alleged corruption scandals and heavy punishment of those involved, including former President Chon, his wife Yi Sun-cha and her father and uncle, Kim also demanded that high-level government officials who assisted them be punished.

Kim demanded that details of the capital flight allegedly committed by the younger Chon and other relatives of the former president be exposed that the origin of the Ilhae Foundation, set up by former President Chon, be brought to light that the alleged accumulation of wealth by a heart foundation established by former President Chon's wife be exposed that massive financial scandals allegedly involving her father and uncle be investigated and that other corruption scandals be exposed.

He also charged that the government of the former president had forcibly caused the Kukje-ICC business group, then the seventh largest business conglomerate in South Korea, to collapse.

The former chairman of the now-defunct Kukje-ICC group recently filed a lawsuit seeking recovery of his shares insisting that he was forced to sell his equity shares after he failed to donate a sufficient amount to the Saemaul fund and the Ilhae Foundation and failed to extend cooperation to the government in other areas.

Government Plans To Not Grant Olympic Asylum
SK081213 Seoul CHUNGANG ILBO in Korean
8 Apr 88 p 2

[Text] The government, having decided not to grant asylum to any foreign athletes, staffers, and tourists during the Seoul Olympics, and having decided that if anyone seeks asylum, the matter will be resolved by the United Nations, is considering a plan to request the United Nations to send a representative of the UN high commissioner for refugees stationed in Tokyo be sent to Seoul for a certain amount of time.

A government source stated on 8 April, "If a high commissioner is posted here in Seoul, when someone seeks asylum, we can entrust the high commission with the matter of how to deal with the asylum seeker. Relevant offices are now devising specific plans to do so."

No Tae-u Invites Philippines' Aquino To Visit
SK081103 Seoul YONHAP in English 0959 GMT
8 Apr 88

[Text] Seoul, April 8 (YONHAP)—South Korean President No Tae-u has invited Philippine President Corazon Aquino to visit Seoul at an early date, the Korean Embassy in Manila reported Friday.

Upon receiving No's personal letter of invitation delivered by Korean Foreign Minister Choe Kwang-su, Aquino accepted the invitation, according to a report from the embassy in Manila to the Foreign Ministry.

While receiving Choe's courtesy call, Aquino reportedly expressed the hope that Korea would actively participate in various economic development programs in the Philippines.

Before the courtesy call, Choe met with his Filipino counterpart Raul Manglapus and explained Korea's efforts to improve relations with the Soviet Union and China, as well as the nation's policy of seeking joint membership of South and North Korea in the United Nations.

The Philippine foreign minister said he supported South Korea's policy toward North Korea and the United Nations, while calling on South Korea to reduce its trade surplus with the Philippines, according to the report.

Choe is visiting the Philippines as part of his visit to five member countries of the Association of Southeast Asian Nations (ASEAN).

U.S. Forces To Replace F-4's With F-16's
SK080751 Seoul YONHAP in English 0716 GMT
8 Apr 88

[Text] Seoul, April 8 (YONHAP)—The U.S. forces command in South Korea said Friday that the 51st Tactical Fighter Wing under its command will replace the F-4 aircraft it now possesses with F-16 fighters later this year.

The change is designed to cope with the threat of a North Korean invasion of South Korea, as well as the modernization of Soviet military capability in the Far East.

The 51st Wing's 36th Tactical Fighter Squadron which now has 12 F-4 aircraft will obtain 24 F-16s beginning in October, according to the command.

The F-16, armed with 20mm cannons, can also be loaded with conventional bombs and air-to-air missiles.

U.S. To Remove 6 Items From GSP List
SK080339 Seoul YONHAP in English 0227 GMT
8 Apr 88

[Text] Seoul, April 8 (YONHAP)—The United States will remove six items, including mirror frames made from base metals, from the Generalized System of Preferences (GSP) list for Korea beginning July 1, according to the Korea Trade Promotion Corporation (KOTRA).

The step is in accordance with a U.S. Government announcement on April 1 that effective July 1 it will eliminate duty-free benefits for products worth 1.1 billion U.S. dollars shipped from 140 developing countries, a KOTRA official said Friday.

The other items removed from GSP list are ABS resin, transmission apparatus, ropes, inflatable balls and rubber or plastic items.

Meanwhile, South Korea, Taiwan, Singapore and Hong Kong are scheduled to lose their duty-free status for all their U.S.-bound exports Jan. 2, 1989.

YONHAP Examines Trade With East Europe
SK080755 Seoul YONHAP in English 0740 GMT
8 Apr 88

[New analysis by Kim Tae-sik]

[Text] Seoul, April 8 (YONHAP)—Direct trade between South Korea and East bloc countries is expected to increase rapidly, boosted by the recent opening of a Hungarian trade office in Seoul and a Yugoslav office to open in Korea in June.

Last month, Hungary became the first East European country to establish a trade office in South Korea. South Korea maintains no diplomatic relations with communist countries.

Prior to the opening of the Hungarian trade office in Seoul, a South Korean trade office was established in Budapest last December.

On Wednesday, Korea and Yugoslavia simultaneously announced an agreement for the establishment of trade offices in each other's country, which observers here say indicates that conditions for full-fledged economic cooperation with the East bloc have blossomed.

According to the announcement by Pak Yong-su, president of the Korea Trade Promotion Corp. (KOTRA), South Korea will open the Korea trade center in Ljubljana, Yugoslavia, while a Yugoslav trade office will be established in Seoul, both in the first six months of this year.

Pak, who returned from a recent trip to Yugoslavia and Hungary, said he and Marko Bulc, president of the Slovenia Chamber of Economy, in Ljubljana, Slovenia, signed the agreement on March 24.

Pak said a Korean trade mission will visit Yugoslavia in early July to conduct a market survey while a Yugoslav trade delegation will participate in the Seoul International Trade Fair (SITRA) '88 in October.

The chamber of Slovenia will represent Yugoslavia in Korea and KOTRA will represent Korea in Yugoslavia, according to Pak.

The observers also expect that the opening of trade offices with Hungary and Yugoslavia will lead other East bloc countries, including East Germany, to follow suit.

They said that East bloc countries have waited for the proper timing to set up economic relations with Seoul, and the opening of trade offices with Hungary and Yugoslavia provides other East bloc countries with the justification they need for establishing a formal economic channel with South Korea.

Such an analysis seems reasonable in view of Yugoslavia's action after Korea and Hungary concluded an agreement to open reciprocal trade offices last August.

Yugoslavia's response went beyond what Korean officials had expected.

The observers pointed out that South Korea participated in the modern electronics fair held in Ljubljana using the names of third countries' agencies until 1986 but was allowed to take part in the fair last October under the name of Korea.

In November last year, Yugoslavia sent a high-powered trade mission, including Marko Bulc and a former finance minister, to Seoul to boost trade relations.

Businessmen here expect that the establishment of trade offices with Hungary and Yugoslavia will serve as momentum in boosting expanded relations with other East European countries.

Since KOTRA's Budapest office opened last December, it has received more than 30 inquiries and requests from Hungarian companies about exports and imports and requests for the arrangement of joint-venture projects with Korean partners.

Even before the Hungarian trade office opened in Seoul, the Hungarian side made brisk contacts with large and small Korean companies.

Observers say the opening of trade offices with other East European countries is a matter of time and that East Germany is the most likely country to set up a trade office here in the second half of this year.

Wage Increase Rate Higher Than in 1987
SK080145 Seoul YONHAP in English 0118 GMT
8 Apr 88

[Text] Seoul, April 8 (YONHAP)—The 1988 wage increase rate for Korean workers are being reached an average 11.3 percent as of the end of last month, 2.5 percentage points higher than the rate recorded in the first half of last year, government sources said Friday.

The sources said about 300 out of 6,600 companies slated to increase wages this year ended collective bargaining on the issue during the first three months of this year.

Firms which have yet to determine the level of their wage increases are expected to settle with an 11-to-12 percent raise, the sources said.

They said medium- and small-sized businesses accounted for more than 80 percent of the companies which reached a settlement on wage increases.

Large companies are expected to actively seek wage adjustments beginning this month as annual wage increases usually occur during the March-May period.

In the second half of 1987, wages rose an additional 8.4 percent in the wake of labor disputes which swept the nation in the summer.

Brunei, Malaysia & Singapore

Malaysia

Rogachev Calls on Foreign Minister

*BK071348 Kuala Lumpur RTM Television Network 1
in Malay 1200 GMT 7 Apr 88*

[Text] The visiting Soviet deputy foreign minister, Igor Rogachev, paid a courtesy call on Foreign Minister Datuk Abu Hassan Omar at the Foreign Ministry in Kuala Lumpur today. They discussed various bilateral matters.

Responding to his invitation, Datuk Abu Hassan said Malaysia is interested in sending its trainees for space technology in the Soviet Union.

Mr Rogachev also met Deputy Foreign Minister Dr Abdullah Fadzil Che Wan. Malaysia has requested the Soviet Union to support Malaysia's bid for a seat at the United Nations. The USSR agrees in principle to Malaysia's request.

UK's Foreign Secretary Howe Ends Visit

*BK071544 Kuala Lumpur Domestic Service in Malay
1430 GMT 7 Apr 88*

[Except] British Foreign Secretary Sir Geoffrey Howe ends his 3-day visit to Kuala Lumpur today, announcing that two more annual fellowship awards will be given to Malaysians for postgraduate studies in the UN effective from this year. [passage Omitted]

High Court Hears Submissions on UMNO Assets

*BK071304 Kuala Lumpur BERNAMA in English 1112 GMT
7 Apr 88*

[Text] Kuala Lumpur, April 7 (OANA-BERNAMA)—Some former members of the now de-registered UMNO [United Malay National Organization] will lose their proprietary rights to assets and liabilities of the party as they will not be accepted into UMNO Baru (New UMNO), (which has as its pro-tem president Prime Minister Dr Mahathir Mohamad) the High Court here heard Thursday.

(UMNO, the United Malay National Organisation is the dominant party of the ruling National Front coalition).

They would also be deprived of their proprietary rights if the assets and liabilities were vested with the New UMNO, said Raja Aziz Addruse, leading counsel for three former UMNO members seeking an injunction to stop the New UMNO from transferring any assets of the old UMNO.

He said that when UMNO was declared unlawful by a court on Feb 4, all its assets and liabilities were placed under the official assignee, adding that by virtue of Section 17 of the Societies Act which was amended and

passed by Parliament recently, any surplus from the assets and liabilities of the old UMNO should be divided equally among party members.

However, Raja Aziz said, the act was amended to acquire the assets and liabilities solely for the benefit of UMNO Baru members and not for the benefits of its former and present members.

He was submitting in a suit filed by former Prime Ministers Tunku Abdul Rahman and Hussein Onn and former Agriculture Minister Abdul Manan Othman for an injunction to stop the New UMNO from transferring, dealing with or disposing any assets of the old UMNO and an injunction stopping the party from making oral or written statements on matters pertaining to or touching on them or members of the pro tem committee of the proposed "UMNO Malaysia".

They also want the high court to stop the New UMNO from issuing any membership application form or accepting as members any former members of the old UMNO.

The three had named the New UMNO President and Prime Minister Dr Mahathir Mohamad and party Secretary-General Mohamed Rahmat on behalf of themselves as president and secretary-general of the New UMNO, and on behalf of and as representing all the other members of the party.

In their statement of claim, the plaintiffs alleged they were prejudiced and would suffer irreparable damages due to the amendments to the Societies Act and the federal Constitution relating to the powers of the judiciary.

They claimed that the amendment to the act would enable the New UMNO to acquire all the assets and liabilities of the old UMNO without it having to accept as members, everyone of those persons who were lawful members of UMNO at the date it was deemed an unlawful society.

The High Court had on Feb 4 declared UMNO an unlawful society because of the presence of unregistered branches in the society. UMNO Baru was subsequently registered to replace the old UMNO.

Tunku Abdul Rahman and the two claimed that since the registration of the new UMNO, the defendants and UMNO Baru Deputy President Ghafar Baba had publicly announced that not all persons who were members of UMNO at the time it was deemed an unlawful society would be admitted to the new UMNO.

The new UMNO, they said, had since March 13 launched a membership drive designed to register only former UMNO members whom the party considered acceptable. They claimed that if the new UMNO registered the majority of these persons, it would subsequently be able to acquire for itself alone all those assets and liabilities.

Raja Aziz, assisted by Muhammad Shafee Abdullah and Christina Kow, told the packed courtroom that the Registrar of Societies was wrong in her decision to reject UMNO Malaysia and accept UMNO Baru.

"Although former Foreign Minister Rais Yatim (who was also involved in the formation of UMNO Malaysia) had filed an appeal against the decision to the home minister, but the personalities involved here are very important as the home minister is also the first defendant," he added.

Raja Aziz said when UMNO Malaysia was formed, all former UMNO members, without any exclusion, were invited to become its members, including Dr Mahathir who was invited by the Tunku himself.

Counsel added that if the registration of UMNO Malaysia had been accepted, all the former members of the old UMNO could become its members and the assets and liabilities would rightfully be transferred to the party.

From press reports, he said, the defendants and several other new UMNO members had declared openly that those who had brought UMNO to court and were involved in the formation of UMNO Malaysia, would not be admitted into the new UMNO.

Counsel also read out the affidavits of the Tunku and Hussein Onn which were filed to support the application for the injunction.

Among other things, the Tunku, in his affidavit, related the financial difficulties UMNO faced during its formation and how he and several other party leaders had made sacrifices to enable UMNO stand on its own feet.

He said that based on these reasons, it would be manifestly unjust and unconscionable to let any former members of UMNO be deprived of the assets in UMNO by their compulsory acquisition and proposed transfer to a "completely alien" society.

The hearing of the application before Justice Ajaib Singh continues tomorrow.

Singapore

UK's Howe Arrives for 3-Day Visit

BK071530 Singapore Domestic Service in English
1400 GMT 7 Apr 88

[Text] Britain is ready to embark on a new era of partnership with Singapore and to increase mutual [word indistinct]. Speaking to reporters on his arrival in Singapore, the British secretary of state for foreign and Commonwealth affairs, Sir Geoffrey Howe, said the relationship between Britain and Singapore was a model of its kind in its closeness and diversity but it has not reached its full potential.

Sir Geoffrey is in Singapore at the invitation of the foreign minister, Mr Dhanabalan. During his 3-day visit, Sir Geoffrey will call on the prime minister; the first deputy prime minister, Mr Goh Chok Tong; and the second deputy prime minister, Mr Ong Teng Cheong. He will also meet with Trade and Industry Minister Brigadier General Lee Hsien Loon, and he will hold talks with Mr Dhanabalan.

Cambodia

Outgoing USSR Envoy Meets Hun Sen, Chea Sim

Meeting With Hun Sen

BK071248 Phnom Penh Domestic Service in Cambodian
0430 GMT 7 Apr 88

[Text] Comrade Hun Sen, member of the KPRP Central Committee Political Bureau, chairman of the Council of Ministers, and foreign minister of the PRK, on the afternoon of 6 April received at the office of the Council of Ministers Comrade Yuriy Ivanovich Razdukhov, USSR ambassador extraordinary and plenipotentiary to Cambodia, who came to pay a courtesy call and bid farewell at the end of his diplomatic mission in the PRK.

Comrade Yuriy Ivanovich Razdukhov expressed profound thanks to the Cambodian party-state leaders and people for their assistance and cooperation that have enabled him to fulfill his diplomatic mission in Cambodia successfully. He also stressed on the all-round relations and cooperation between the Soviet Union and Cambodia that have developed with praiseworthy results. The comrade Soviet ambassador also acclaimed the victories and revolutionary achievements scored during the past more than 9 years by the Cambodian people, and stressed that the Soviet Union would continue to support and assist the Cambodian people.

In his reply, Comrade Hun Sen highly valued the successful mission carried out by the comrade ambassador that has contributed to enhancing and developing the bilateral relations and cooperation between Cambodia and the Soviet Union. He also noted the all-round development of the Cambodian revolution which was inseparable from the assistance of the Soviet Union.

Comrade Hun Sen stressed that he would make every effort to strengthen and expand all-round relations and cooperation, particularly relations between the two parties, more firmly for the common cause of peace and friendship in the world.

Meets With Chea Sim

BK080902 Phnom Penh Domestic Service in Cambodian
0430 GMT 8 Apr 88

[Text] Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and of the KUFNCD National Council, received

in audience in the morning of 7 April at Chamka Mon State Palace Comrade Yuriy Ivanovich Razdukhov, Soviet ambassador extraordinary and plenipotentiary to Cambodia, who came to pay a courtesy call and bid farewell at the end his diplomatic mission in the PRK.

On that occasion, Comrade Yuriy Ivanovich Razdukhov expressed his deepest thanks to the Cambodian party, government, and people for their assistance and facility which enabled him to accomplish his tasks in Cambodia successfully. He vigorously praised the all-around development of the Cambodian revolution, especially that in the political, economic, and legislative fields that has positively responded to the resolutions of the fifth party congress. The comrade Soviet ambassador also reaffirmed the continued support for the Cambodian revolution and that the Soviet Union would always remain a true friend of the Cambodian people.

In his reply, Comrade Chea Sim highly valued the diplomatic mission that the comrade Soviet ambassador had performed in the past, saying that this mission had further contributed to firmly consolidating and expanding the relations and versatile cooperation between Cambodia and the Soviet Union. He stressed on the all-around development of the Cambodian revolution that is inseparable from the timely assistance of the Soviet party, government, and people.

Comrade Chea Sim also zealously voiced support for the Soviet Government which has abided by a correct policy of peace in conformity with the goodwill and wish of the Soviet people as well as world people.

Chairman Hun Sen Tours Kratie Province
*BK071225 Phnom Penh SPK in English 1112 GMT
7 Apr 88*

[Text] Phnom Penh SPK April 7—Comrade Hun Sen, Politburo member of the People's Revolutionary Party of Kampuchean Central Committee and chairman of the Council of Ministers, has made a four-day tour of Kratie Province, 200 km northeast of Phnom Penh.

While staying there from April 2-6, he called at several districts during which he informed the local population of the present situation in Kampuchea and of his meetings with Prince Norodom Sihanouk in France.

The Kampuchean leader called on the local people to step up food production, consolidate the local security, and enhance their vigilance against all activities of sabotage by the enemy.

Heng Samrin, Chea Sim Tour Kompong Cham
*BK080617 Phnom Penh SPK in French 0405 GMT
8 Apr 88*

[Text] Phnom Penh, 8 Apr (SPK)—From 4 to 5 April, Heng Samrin, general secretary of the KPRP Central Committee and chairman of the Council of State, toured Kompong Cham Province, 100 km northeast of Phnom Penh.

During his stay, Chairman Heng Samrin, accompanied by Chea Sim, member of the KPRP Central Committee Political Bureau and chairman of the National Assembly and the KUFNCD National Council, visited combatants' families and a number of waterworks, including the Ampil Dam.

Addressing a cadres' meeting in Ponhea Krek District, chairman Heng Samrin recalled the struggle full of sacrifice led by people in Ponhea Krek District against French colonialists, U.S. imperialists, and lately the Pol Pot genocidal regime, lackey of the Beijing expansionists. He highly appreciated the district's all-around development.

The Cambodian leader pointed out that, following internal conflicts of the tripartite coalition, Cambodian reactionaries have successively deserted their ranks and rallied to the revolutionary cause. In 1986-87, Cambodia received 9,000 returnees specified the chairman, who continued: "This shows the weakness of the enemy and its inevitable defeat."

Regarding the national reconciliation policy, Chairman Heng Samrin attributed the meetings between Council of Ministers Chairman Hun Sen and Prince Norodom Sihanouk in Paris to the PRK's good will to restore peace in the country.

SRV Battalion Commander Said Killed in Mutiny
*BK080834 (Clandestine) Voice of the National Army
of Democratic Kampuchea in Cambodian 2315 GMT
7 Apr 88*

[Text] On 28 March, patriotic compatriot Cambodian soldiers stationed in Phnum Tochon, Prasat commune, Mongkolborei District, Battambang Province, fired at the Vietnamese enemy aggressors, killing a Vietnamese battalion commander on the spot.

These compatriot Cambodian soldiers in Phnum Toch, like those in other places throughout Cambodia, are furious with the Vietnamese aggressors. They will no longer allow the Vietnamese enemy aggressors to instruct and order them to die on their behalf. They have been waiting only for a good opportunity to turn their guns, provided by the Hanoi authorities, against the Vietnamese and then flee to join the National Army to join the fight against the Vietnamese aggressors.

Commentary on Combat Success in Battambang
*BK071030 (Clandestine) Voice of Democratic
Kampuchea in Cambodian 2330 GMT 6 Apr 88*

[Station commentary: "The Regions in and around Battambang Have Again Become a Hot Battlefield at the end of the Current 10th Dry Season"]

[Text] Battambang is the most important town in western Cambodia because it lies in a fertile economic region at the junction of communications lines—land, water, railroad, and air.

Since the invasion and occupation of Cambodia, the Hanoi Vietnamese enemy have stationed large numbers of troops to defend Battambang and the surrounding regions in an attempt to make it a strong base serving the battlefields throughout western Cambodia. During the past several years the regions around Battambang and the town itself have been repeatedly attacked by our National Army of Democratic Kampuchea [NADK], destroying many warehouses containing arms, ammunition, fuel oil, rice, paddy, and various other materiel of the Vietnamese enemy. We even killed a number of Vietnamese commanders, provincial supervisors, and Soviet advisers in Battambang Town.

Seeing this vital region of strategic significance to its war of aggression in the western part of Cambodia in such a constantly insecure and chaotic situation, at the end of the last rainy season the Vietnamese enemy pulled back a part of its force from the border region and sent other units from Vietnam to defend of Battambang. At the same time, the Vietnamese recruited tens of thousands of Cambodian people to build ditches to serve as a wall to prevent our National Army from attacking them inside Battambang.

However, our heroic national army men attached to all spearheads on Battambang battlefield, being very patriotic and not afraid to make any sacrifice, coordinated the three forces and implemented our five-prong attack tactics, particularly the attacks against two and three villages simultaneously. We attacked the Vietnamese from the east, west, south, and north, and penetrated the town to conduct agitation activities. We caused the situation inside Battambang and in the regions around the town to become even more complicated and chaotic to the point where we were able to create favorable conditions for a large-scale offensive against the Vietnamese enemy inside Battambang, thus turning Battambang Town into a hot battlefield once again.

For example, on 2 March we attacked, dispersed, and dismantled the administrations in Ta Pon, Khpos, and Prek Luong communes, and liberated seven villages. On 13 March, we again launched attacks to disperse and dismantle the village administration of Ta Pon commune and liberated three villages. On 14 March, we attacked the airfield in Battambang. On 15 March, we launched a commando raid inside Battambang and conducted sweep operations in areas from Sophi monastery to Norea and Sala Ta On townships during which we liberated these 2 townships and 15 villages. On 19 March, we attacked Chheuteal township, dispersed and dismantled Chheuteal commune administration, and liberated seven villages. On 24 March, we attacked the Vietnamese soldiers inside Don Teav gunnysack factory and launched sweep operations inside Don Teav Township at a 5-km stretch along the lower bank of Sangke River during which we destroyed a gunnysack factory and liberated Peam Ek and Prek Narin communes and 10 villages. On 26 March, we launched a commando attack against the headquarters of the Vietnamese

enemy's 309th Division located at Phum Ta Ngen and Komping Puoy villages, 20 km west of Battambang, killing or wounding 117 Vietnamese soldiers; destroying a large quantity of weapons, ammunition, rice, and materiel; and liberating 4 villages.

Therefore, no matter how many additional troops it might send in and whatever walls it might build to serve as a defense for Battambang, the Vietnamese enemy cannot withstand our five-prong attack tactics. Battambang remains under attack by our national army which is continuing its offensive against this town.

Our national army men at all spearheads on Battambang battlefield pledge to attack the Vietnamese enemy inside Battambang more vigorously to prevent it from successfully turning this strategically significant town into a base for serving its war of aggression in the western part of Cambodia. They have pledged to fight on until Battambang and our beloved Cambodian nation and motherland are totally liberated.

Indonesia

Suharto Welcomes Ceausescu at Merdeka Palace

BK080231 [Editorial Report] Jakarta Domestic Service in Indonesian at 0150 GMT on 8 April begins a 22-minute live relay of the ceremony held at Merdeka Palace during which President Suharto is to host an official welcoming ceremony for Romanian President Nicolae Ceausescu.

Correspondent Kabul Budiono begins the live relay by noting that President Ceausescu is the first foreign leader to call on President Suharto since the latter was reelected to another term in March 1988 and gives a brief account of Romania's geographical location and history and Indonesian-Romanian relations, especially in the economic field. The correspondent notes that President Ceausescu is accompanied on this visit by his wife, Elena Ceausescu, and a delegation that includes, among others, Deputy Prime Minister Stefan Andrei and Foreign Minister Ion Totu.

At 0204 GMT, President Ceausescu and other state guests arrive at the palace and are welcomed by President Suharto. Then the two heads of state proceed to the welcoming platform.

The ceremony begins with the playing of Romania's national anthem and the Indonesian national anthem, with a 21-gun salute by the honor guard in the background. No speeches are made.

Then President and Mrs Ceausescu, accompanied by Mrs Suharto, are introduced to the Indonesian cabinet ministers and other invitees. The correspondent reports

that the two heads of state will hold official talks this afternoon. President Suharto will host a state banquet for Mr Ceausescu and members of his delegation at Merdeka Palace tonight.

The live relay ends at 0212 GMT.

Foreign Minister Returns From ASEAN Tour
BK071536 Jakarta Domestic Service in Indonesian
1500 GMT 7 Apr 88

[Text] Indonesia's bilateral relations with other ASEAN countries along with regional and international issues were on the agenda for talks between Foreign Minister Ali Alatas and a number of high-ranking ASEAN officials during his 5-day good-will tour to introduce himself as the new Indonesian foreign minister.

In his first overseas trip as foreign minister, Ali Alatas also discussed efforts to solve the Cambodian problem, including the cocktail party proposal, namely a meeting among rival Cambodian factions, which is to be followed by a meeting between the factions and Vietnam as well as other countries involved in the conflict.

Foreign Minister Ali Alatas, who left Jakarta last Monday for Bangkok and proceeded to Singapore, Kuala Lumpur, Manila, and Bandar Seri Begawan, returned to Jakarta this evening.

Discusses Philippines' Moro Issue
BK080201 Jakarta Domestic Service in Indonesian
0000 GMT 8 Apr 88

[Text] Philippine President Corazon Aquino respects Indonesia's position on the Moro issue in the southern Philippines, as demonstrated by the Indonesian delegation at the ICO [Islamic Conference Organization] ministerial meeting in Amman, Jordan, in March 1988. This was disclosed by Foreign Minister Ali Alatas upon his arrival in Jakarta yesterday evening after paying a courtesy call on Corazon Aquino at Malacanang Palace, Manila, as part of his marathon tour of five ASEAN countries.

At the ICO meeting, the southern Philippines-based MNLF led by Nur Misuari demanded that the ICO accept it as a member. The ICO rejected the request because the group does not represent a state and because the ICO views the Moro issue as an internal matter of the Philippines. Indonesia has adopted this attitude.

According to Minister Alatas, although his tour was to introduce himself as the new foreign minister, it has produced concrete results, including the decision of the ASEAN foreign ministers to reaffirm Indonesia's status as the ASEAN interlocutor in the framework of Cambodian-Vietnamese talks.

Briefs

Inflation Rate Falls

Jakarta, April 7 (AFP)—Indonesia's consumer price index fell from 8.83 percent a year earlier to 8.29 percent in the year to March 31, the Central Bureau of Statistics said Thursday. The influence of rice prices on the figure rose from 0.15 percentage points to 2.19 points, the bureau said. Rice is a main item in the basket of goods used to compile the index from 17 major cities. [BK071220 Hong Kong AFP in English 1141 GMT 7 Apr 88]

Laos

Commentary on Thai 'Bad Elements,' Newspapers
BK081048 Vientiane KPL in English 0922 GMT
8 Apr 88

[Text] Vientiane, April 8 (OANA-KPL)—PASASON's commentary, while hailing the two sides efforts for the third round of Lao-Thai governmental talks, condemns the various activities of some bad elements in Thai political circles aiming at obstructing and delaying the settlement of the border dispute.

The Lao leading paper says that instead of supporting both sides' endeavour for peace and for the restoration of the time honoured relations between the two brotherly nations, these individuals in Thailand are doing their best to ferment misunderstanding between the two nations and peoples. They tried to discredit the Lao side's good will. Doing so they have made use of certain printed press to slander the Lao side, thus misleading Thai public. The cases in point were BAN MUANG publication on March 26, 1988 and that of March 28, 1988 by NAE0 NA paper.

In the former case, PASASON points out, BAN MUANG tried to create misunderstanding between the Lao and Thai Armies while NAE0 NA exploited the ignorance of the situation of a former Thai statesman as he voiced his personal opinion to belittle the efforts of the Thai officials and public who are in favour of peace and friendship.

Worse still, PASASON says, they are accusing the Lao side that the latter is trying to sow discontent within Thailand itself.

In face of such situation, the paper concludes, the peoples in Lao and Thailand alike need to raise vigilance to foil the designs of the bad elements in Thailand for the sake of the long standing Lao-Thai relations of good neighbourliness and for peace and security in the region.

Radio on Solving Thai Border Dispute
BK080516 Vientiane Domestic Service in Lao
0600 GMT 6 Apr 88

["Chatting With Listeners" program: feature on Thai border issue]

[Text] Respected listeners and beloved friends: In today's program, let us talk first of all about an issue relating to our country. The issue that is in the interest of our fraternal people throughout the country at present is that of the settlement of the border dispute between Laos and Thailand. It is the issue that we talk about again and again, almost everyday. Basically, it is about the settlement of the problem through talks. Even though, a number of ill-intentioned elements in Thailand are still continuing to carry out slanderous propaganda accusing our Lao Government of having no sincerity in holding talks or in solving the problem of the disputed border area in Laos' Boten District and Thailand's Chat Trakan District. They are continuing to distort facts and make allegations against us in 108 ways. This is why I, as the program organizer, would like to explain the facts of the issue to our fraternal people.

As we know, our Lao Government and Lao people have always had the sincerity and desire to solve the problem with the fraternal country through a peaceful means based on facts, justice, and principles of international law. We have always strictly adhered to the international law in settling problems. We have never reversed our words and never talked nonsense. Our Lao Government and Lao people are always sincere in solving the problem with the Thai Government and Thai people so that we can coexist peacefully in a fraternal and neighborly atmosphere. This is because we—the Lao and Thai peoples—have maintained the tradition of mutual love and solidarity since an ancient time, not just for a few days.

It is known to all that we have maintained and practiced very similar customs, cultures, languages, and ways of living. Based on this, it is difficult for one to tell the differences between the Lao and Thai peoples. For example, regarding the language, there is no other place in the world in which peoples of different countries could talk to each other and understand each other without having to use interpreters. It is only the Lao and Thai peoples who can understand each other's languages. The Lao people can understand Thai while the Thai people can also understand Lao in communicating, be it formal or informal. Using this fact, why don't our Lao and Thai peoples together push their governments to turn to each other and hold further talks to resolve the problem? Though the problem may not be settled through one or two rounds of talks, it would be settled sooner or later. Therefore, the talks should be continued. It is not appropriate to return to using violence against each other, because such a method is already outdated. We have already put an end to that violence and should not resort to using that method again. It is of no use for us to fight again. If the armed fighting continued, it is nobody

but people of the same blood—the Lao and Thai peoples, our beloved children—who would be killed. Therefore, we must together help prevent the reoccurrence of the armed border clashes. We should settle all issues of arguments—be they big or small—through talks, because we can understand each other through the use of our respective languages. Even people of other countries, who could not understand their respective languages, can hold talks, reach agreements, and settle problems through talks by using interpreters. For example, they could even reach agreement on an even bigger issue, such as the issue on the weapons that can destroy millions of people en masse. For us, we can understand each other's languages, why could we, as fraternal people, not settle the border problem through talks?

Now, I would like to talk to you about the second round of talks between the Lao and Thai government delegations in Vientiane. The talks were over about half a month ago already. It seems that both sides are now making preparations to hold talks in the third round. Regarding this, representatives of both sides already addressed the mass media after the end of the latest round of talks. As we know, listeners, following the past two rounds of talks the government delegations of the two countries agreed to hold further talks to proceed to settle the dispute over the border area where Laos' Boten District, Sayaboury Province, and Thailand's Chat Trakan District, Phitsanulok Province, adjoin on the basis of the French-Siamese Treaty and Protocol of 23 March 1907 and relevant maps. This means that the problem must be settled on this basis—the basis of the 1907 French-Siamese Treaty and Protocol.

But, while the Lao and Thai peoples are striving to step up preparations for the next round of talks, the ill-intentioned elements in Thailand have taken advantage of difficulties in the past two rounds of talks to carry out deceitful propaganda in many ways. Do you know what their intentions are, listeners? Their main intention is to create conditions for disagreement and misunderstanding between the two sides with a view to obstructing further talks.

For example, listeners, the Thai paper DAILY NEWS, in its 13 March edition, carried views by certain Thai officials, one of which slanderously charged our Lao side with having no sincerity and said that it is of no use to hold further talks, that Laos refuses to accept the Thai side's proposals, and so forth. Additionally, on 4 April Thai national radio in its noon program, carried an article by the title "Enemy of Friendship and Peace," in which it used the same old words to throw all the blame on our Lao side, charging that the Lao side has not responded to the Thai proposals, that the Lao side has omitted portions of the treaty, that the Lao side has failed to give replies to two letters of the Thai side, and others. This deceitful propaganda is totally aimed at creating favorable conditions for the bad elements to

sabotage the Lao-Thai talks. To tell the truth, such propaganda is not at all beneficial to the preparations for the third round of talks between the government delegations of both countries.

However, as for the Lao and Thai peoples who have earnestly desired to see the Lao-Thai problem settled peacefully through talks, they probably can tell what is right, what is wrong, what is true, and what is false. In fact, representatives of the government delegations of the two countries have already made public the outcomes of the past two rounds of talks. As everyone is aware, regarding the past two rounds of talks, it can be said in short that there are altogether three noteworthy points. First, the Lao side proposed the demarcation of the Lao-Thai borderline in the disputed area—the area where our Lao Boten District and Thailand's Chat Trakan District adjoin—on the basis of the French-Siamese Treaty and Protocol of 23 March 1907. With regard to the Lao-Thai borderline in the area of contact, Article 2 of the protocol which is attached to the said treaty clearly stipulates that the Nam Heuang River is the line of demarcation of the borderline.

As for other articles or other stipulations of the protocol, listeners, it is not at all that the Lao side does not respect them and not that the Lao side leaves out portions of the treaty. Our Lao side has always completely respected all laws, in particular this international law to which it is party. Not mentioning or bringing the whole treaty into consideration in the talks, does not mean that the Lao side does not respect the full contents of the treaty. Understanding that the Thai side already had the treaty and protocol in hand, the Lao side, therefore, raised only the article concerned for consultations. In this regard, it is believed that anybody with common sense can correctly understand the good faith and sincerity of the Lao side. With regard to the two letters handed over to our Lao foreign affairs minister by Niran Phanuphong, Thai ambassador to Laos, Sombat Chounlamani, chief of the Third Department of the Lao Foreign Affairs Ministry, already gave the replies to the Thai side on 23 March. As for the two Thai proposals—the first of which is about the setting up of an ad hoc committee and another about the restoration of the functioning of the Border Liaison Committee—the Lao side has also given replies to the Thai side. In the replies, the Lao side has not rejected the proposals at all. The Lao side has only said that the government delegations of the two countries should, first and foremost, agree with each other on various principles as well as other basic issues to be used as the basis for the ad hoc committee to perform its functions.

In view of these facts, by groundlessly accusing the Lao side of omitting portions of the treaty, failing to respond to the Thai side's proposals, and so forth in a fanfare manner at present, the bad elements in Thailand cannot fool anyone. Such allegations are also not beneficial to the preparations for the next round of talks. In fact, listeners, it is the Thai side itself which has refused to accept Article 2 of the protocol attached to the 1907

French-Siamese Treaty as proposed by the Lao side. As we have already said, Article 2 of the protocol clearly stipulates that the Nam Heuang River marks the Lao-Thai borderline in the area where Laos' Boten District and Thailand's Chat Trakan District adjoin. But, as I have told you on several occasions, listeners, the Thai side has claimed that the Nam Heuang Nga River is the borderline. I do not know from where the Thai side gets that understanding. This is why I have said the Thai side has refused to accept Article 2 of the protocol which is attached to the 1907 French-Siamese Treaty. Now, I believe that you listeners can tell who stands by the legal principles or who is really sincere in solving the current border dispute.

Since the Thai side has recognized the French-Siamese Treaty and Protocol of 23 March 1907, but has yet to understand Article 2 of the three articles in the said protocol, it should hold further talks and consultations. Both sides have admitted that political talks need time. To achieve success, requires some time, a considerably long time and not just 1 or 2 days. As for the Lao side, it is ready at any time to go to Bangkok to hold further talks with the Thai side as mentioned in the official letter of the Third Department of our Lao Foreign Affairs Ministry handed over to the Thai ambassador in Vientiane on 23 March. This has shown the sincerity of our Lao side—our Lao Government—which has always wanted to solve this problem through talks. Our Lao side or our Lao Government is of the opinion that it is necessary to continue to hold talks until the problem is settled. I hope that you, listeners, understand the sincerity of our Lao side, our Lao Government.

With regard to the slanderous propaganda by the bad elements in Thailand distorting facts and charging our Lao Government with having no sincerity, just think it over, listeners, and you can then tell whether what they have said is right or wrong. They have made that slanderous charge against our Lao side despite the fact that our Lao side has always stood by and strictly and resolutely respects the principles of international law, and has consistently had sincerity in settling the problem on an equal basis. The Lao side has never thought about taking advantage of the Thai side. This fact is known to all.

Briefs

Soviet Delegation Arrives

Vientiane, April 6 (OANA-KPL)—A delegation of the Religious Council of the Soviet Union led by the head of the Religious Department, Mr Mikhailov, arrived here for a friendship visit to Laos in response to the invitation of the Lao Front for National Construction [LFNC]. During its 9-day stay, the Soviet delegation will meet with a Lao Buddhist delegation to discuss experience in the field between the two countries aimed at further strengthening cooperation on this field. The delegation

was met at the airport by members of the Standing Committee of the LFNC. [Text] [BK061021 Vientiane KPL in English 0904 GMT 6 Apr 88]

Medical Aid From France

Vientiane, April 6 (OANA-KPL)—Medicines and medical equipment worth U.S. dollars 110,000 from France were handed over here on April 3. In addition, France also helps Laos with specialists in the Surgery and Anesthesia Departments. France supplied in 1985-1986 medicines and medical equipment to the district hospital of Phonhong in Vientiane Province. In 1987 two district hospitals in the southern Champassak Province and in the northern Luang Prabang Province received aid from the same donor. France this year gives assistance to the Surgical Department of the capital's Mahosot Hospital. Marc Menguy, French ambassador to Laos representing the French Government, handed over the consignment of aid to Professor Vannalet Latsapho, deputy minister of public health representing the Lao Government. [Text] [BK061015 Vientiane KPL in English 0906 GMT 6 Apr 88]

Philippines

U.S. Navy Admits Palace Airspace Violation
HK080941 Manila Radio Veritas in Tagalog
0700 GMT 8 Apr 88

[Text] Top American officials of the [name indistinct] naval station in Zambales have confirmed that a U.S. Navy helicopter violated the Philippines' restricted airspace law. However, officials made it clear that the U.S. helicopter flew over Malacanang airspace accidentally. They said that the helicopter was coming from the U.S. Embassy at Roxas Boulevard when it unintentionally flew over Malacanang last Wednesday.

Meanwhile, the U.S. Embassy said it has not received a diplomatic protest letter from the Department of Foreign Affairs. It is recalled that presidential security member Voltaire Gazmin said the Philippines would file diplomatic protest because this was allegedly the second time American airplanes had violated the country's restricted airspace Law of the country.

Prior Consent Issue Dropped in Bases Talks
HK080321 Manila Far East Broadcasting Company
in English 2300 GMT 7 Apr 88

[Text] Foreign Affairs Secretary Raul Manglapus has changed his (?stand) that the United States should first ask permission from the Philippines before using the military bases in launching any combat operations. The proposal stirred heated debates between Manglapus and Ambassador Nicholas Platt who heads the U.S. panel. But Manglapus changed his statement regarding this, saying that the issue was important and could still be subject to negotiations.

[Begin Manglapus recording] Anything that is on the agenda is subject to negotiations. [end recording]

'Limits' Sought on Operations
HK071203 Hong Kong AFP in English 1153 GMT
7 Apr 88

[Text] Manila, April 7 (AFP)—The Philippines is seeking limits on the United States' unhampered military operations at its air and naval bases in the country, Philippine Foreign Secretary Raul Manglapus said here Thursday.

"It's certainly on the agenda," Mr. Manglapus told reporters when asked whether Manila will demand in the current negotiations its prior consent for the use of Clark Air Base and Subic Naval Base for U.S. combat missions and for storing missiles.

He declined to confirm or deny press reports that the current agreement's clause on Washington's "unhampered access" to its largest overseas bases had provoked the first clash in the talks on their future, which opened here Tuesday.

Newspapers here quoted unnamed conference sources as saying Manila wanted "prior consent" on major military operations at the bases, instead of the current provision calling only for "prior consultation" by Washington.

Mr. Manglapus heads the Philippine panel, while Ambassador to Manila Nicholas Platt heads the U.S. side in the talks, expected to last till July amid a rising anti-bases movement dominated by the left.

Many Filipinos suspect that Clark and Subic are used as storage or transshipment points for nuclear warheads, which Washington as a policy neither confirms nor denies;

Filipino senators are demanding greater access by Manila to base operations and stricter monitoring of arms shipments until 1991, when the bases' lease ends unless a new military bases treaty is forged by the two allies.

Left-wing groups as well as communist insurgents are demanding the immediate removal of the bases, which they consider instruments of U.S. intervention.

The negotiators said in a joint statement Thursday that Washington agreed to "reconvene the Veteran's Claim Panel," adding the U.S. Government had paid Filipino veterans more than 3.1 billion dollars in benefits since World War II.

On Wednesday, the panels agreed to look into Filipino base workers' demands for better pay and benefits.

Meanwhile, a U.S. national close to President Corazon Aquino accused Washington of applying a "two-track" policy by "supporting the Aquino government publicly, while quietly encouraging ultra-right groups" seeking to destabilize it.

"The feeling of the pressure is not just mine. Many officials of the government and members of Congress have expressed it," Mr. Psinakis told reporters.

He was indicted in the United States in July for conspiring to transport explosives within that country in 1981, when he was part of a group opposed to then-president Ferdinand Marcos, Mrs. Aquino's predecessor and political rival.

There is widespread speculation here of a possible U.S. hand in the escape Saturday of right-wing rebel leader Gregorio Honasan, a former Army colonel who led a bloody coup try that almost toppled Mrs. Aquino last August.

Leftist politicians have alleged that Washington helped Mr. Honasan escape from a prison ship on Manila Bay as part of a plan to put pressure on the government during the bases talks. Mr. Honasan has dismissed the charges.

A U.S. Embassy officer, Major Victor Raphael was expelled last year after loyal troops said he attempted to dissuade them from attacking Mr. Honasan's forces during the August power grab.

Meanwhile, the local television station ABS-CBN reported Thursday that Mr. Honasan has been seen with 20 armed men in an abandoned sawmill in Quezon Province, southeast of here.

Military spokesmen have said Mr. Honasan was believed to be somewhere in the southern Luzon region, of which Quezon is a part, but they would not confirm the station's report.

Separation of Veterans Claims Issue

HK080333 Manila Far East Broadcasting Company in English 2300 GMT 7 Apr 88

[Text] The United States Government panel, in the review of the Philippine-U.S. Military Bases Agreement [MBA], has agreed to reconvene the Veterans Claims Panel. Both sides agreed Wednesday to make a separate review of the Bases Labor Agreement apart from the MBA review. Records show that the U.S. Government has paid over \$3.1 billion in benefits to U.S. veterans since World War II and paid \$10 million each month to over 40,000 people in every part of the Philippines, including over 27,000 dependents. The U.S. Government also provides medical treatment through outpatient clinics and veterans' memorial medical centers to eligible veterans.

Foreign Affairs Under Secretary Leonides Caday explained the discussion on the veterans' claim:

[Begin recording] In (?raising) the commitment of the Philippine Government and the United States Government to the rights of the veterans [words indistinct] in World War II, it was agreed to issue the following statements:

The issue of reconvening the Veterans Claims Panel is (?most) appropriate for discussion in a forum apart from the [words indistinct] military bases review. The United States delegation agrees to communicate immediately to the highest appropriate U.S. authority the concerns of the Philippine Government regarding the request to reconvene the Veterans Claims Panel. [end recording]

Antibases Demonstrations at U.S. Embassy

HK081139 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 1030 GMT 8 Apr 88

[Text] Trouble erupted in front of the U.S. Embassy today when attempts were made to disperse a demonstration protesting the presence of military bases in the country. Three men were arrested by police, while more than 10 persons, including 6 policemen, were injured.

The trouble started when demonstrators gathered under the leadership of Jaime Tadeo of KMP [Kilusang Mangbubukid ng Pilipinas—Philippine Peasants Movement], Maris Diokno of the Antibases Coalition, and Edgar Rosales of Bayan [Bagong Alyansang Makabayan—New Nationalist Alliance]. A splinter group of demonstrators allegedly tried to cross Roxas Boulevard and enter the embassy. Large stones and bottles started to rain after the antiriot police stopped the splinter group.

Honasan Said Not Capable of Toppling Aquino

HK071235 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 7 Apr 88

[Text] Constabulary and INP [Integrated National Police] Chief Major General Ramon Montano said that former Colonel Gregorio Honasan's group could not topple the military establishment even if Honasan should obtain support from other antigovernment groups such as the NPA, Communist Party of the Philippines, the MNLF, and the Moro Islamic Liberation Front. More details from Marilou Linggad.

[Begin recording] Montano made the assertion following threats from different rebel groups to overthrow the Aquino government. Montano spoke on the insurgency problem before the regular meeting of the Thursday Club of Quezon City at the Camelot Hotel. Montano stressed that neither Honasan nor any other rebel group has the capability to overthrow the very strong and popular leadership of President Aquino.

Montano also called on media to help the military combat the insurgency problem. [end recording]

Aquino Lifts Ban on Honasan Interviews
HK081115 Manila Radio Veritas in Tagalog
1000 GMT 8 Apr 88

[Text] President Aquino made it clear that she ordered the ban on the airing of Honasan interviews only on the first 2 days after his escape because the situation then was still quite tense.

In an ambush interview this morning, the president indicated that the government will now allow the reporting of such interviews. However, she said Justice Secretary Sedfrey Ordenez was still drafting guidelines on the publication or broadcast of Honasan interviews.

[Begin recording in English] [Unidentified reporter] We ask you to clarify the orders about the Honasan interview.

[Aquino] Well, when the [words indistinct], it was so soon after the escape. We felt it best not to allow the airing of that interview. But since then we have changed our attitude. We have instructed Secretary Ordenez and Dinggoy Alcuaz to give the necessary guidelines.

[reporter] Thank you very much. [end recording]

That was President Aquino.

Over 100 Face Court-Martial for Honasan Escape
HK071323 Manila PHILIPPINE DAILY GLOBE
in English 7 Apr 88 pp 1, 6

[Text] Over 100 military officers and men face court-martial for the escape last Saturday of former Lt. Col. Gregorio "Gringo" Honasan, the leader of the August 28 failed coup, from his prison ship "BRP Andres Bonifacio," together with his 14 guards.

This was disclosed yesterday by top AFP [Armed Forces of the Philippines] officials before the Senate committee on national defense and security in its initial hearing on the escape at the Philippine Navy [PN] headquarters on Roxas Boulevard.

The committee headed by Sen. Ernesto M. Maceda also elicited from the AFP officers headed by AFP Chief of Staff Gen. Renato S. de Villa that there was laxity in security measures on the ship which served as Honasan's prison since his capture last December up to his escape last Black Saturday.

Maceda was assisted in the hearing by Senate Minority Leader Juan Ponce Enrile, Senate Majority Floor Leader Orlando Mercado and Senators Ernesto Herrera and Heherson Alvarez.

Maceda also told newsmen after the committee's executive (closed-door) session, which followed a brief public hearing, that there is still a division in the military that must be solved.

He singled out the Philippine Navy where four aspired for the top post—flag officer-in-command—now held by Commodore Carlito Cunanan vice Rear Admiral Tagumpay Jardiniano, now retired.

Maceda said that Cunanan had three rivals for the top PN post who were unhappy. He did not identify them.

He said that De Villa confirmed during the executive session that there was an attempt of the Honasan group to disrupt the March 29 ceremonies on the PN change of command.

Maceda said the plan was aborted when the site of the turnover ceremonies was transferred from the "BRP Andres Bonifacio" to a shaded area of the PN headquarters upon discovery of the plot by AFP intelligence personnel.

He said among those to be court martialled are Lt. Cmdr. Fred Tuvilla, commanding officer of "Andres Bonifacio"; Honasan himself and his 14 guards who are at large; Lt. Virgilio Alcantara, the vessel's acting executive officer; Ensign Gerard Josue, the vessel's officer on duty; and the other ship personnel.

At the resumption of the hearing in the afternoon, Tuvilla took the witness stand and recanted his earlier statements that he was not responsible for the escape of Honasan and his guards.

Senators Urge Amnesty for Honasan, Cohorts
HK080949 Quezon City Radyo ng Bayan in Tagalog
0500 GMT 8 Apr 88

[Text] The Senate Committee on Defense and National Security has asked the Armed Forces chiefs to recommend to President Aquino that she grant amnesty to Gregorio Honasan and his estimated 1,000 cohorts for their involvement in the August 28, 1987 coup attempt. Jojo Ismael has the details:

[Begin recording] Senator Ernesto Herrera, who is a member of the Defense Committee, revealed that he and Senators Maceda and Enrile have asked Armed Forces chief of staff General Renato de Villa to urge President Aquino to grant amnesty to Honasan and his companions. Herrera also said that the continued detention of these enlisted men could possibly create divisions in the military.

However Senator Maceda, who is the chairman of the committee, said today that they will continue the investigation on Honasan's escape. It has been revealed that former Philippine Navy flag officer in command Rear Admiral Tagumpay Jardiniano is scheduled to appear before Maceda's committee to cast light on Honasan's escape. [end recording]

Loyalist General Said Ready To Surrender
*HK080911 Manila Manila Broadcasting Company DZRH
in Tagalog 0800 GMT 8 Apr 88*

[Text] Military sources revealed that renegade military General Jose Maria Zumel was ready to surrender and face the consequences of his involvement in several coup attempts. The sources added that the former general, who has lost considerable weight recently, was ready to come out of hiding and return to the fold of law after his association with renegade Colonel Reynaldo Cabauatan ended.

The same sources also revealed that talks have already started between some military officials and Zumel on the latter's planned surrender and that the surrender would likely take place in the next few days.

Meanwhile, other military sectors gave a different reaction to the issue, saying that Marcos loyalists are not ready to surrender because they are not prepared to give up their fight against the Aquino government for the return of the former president. Intelligence reports allege that Marcos loyalists continue to meet in Fairview, Quezon City, where they discuss plans to overthrow the present administration and bring Marcos back to the country. The loyalists are said to be still very determined because of a financier known only as Lady D, who is said to be willing to spend her entire fortune just to bring back Marcos and proclaim him president of the Republic.

On the other hand, renegade Colonel Reynaldo Cabauatan is said to have departed for another country after pocketing a large amount of money intended to finance coup attempts by Marcos loyalists.

Education Background of CPP-NPA Leaders
*HK071333 Manila BUSINESS WORLD in English
7 Apr 88 p 2*

["On the Other Hand" column by Antonio C. Abaya:
"Intellectuals Core of the CPP"]

[Text] A cursory glance at the background of the CPP [Communist Party of the Philippines]/NPA leaders captured last week gives an indication of the depth of the insurgency and shows why it may be premature to claim that the tide has been turned against it:

Rafael Baylosis, alleged secretary-general of the CPP, No. 2 in the communist hierarchy, and alleged chairman of the finance commission, was a cum laude political science graduate from UP [University of the Philippines].

Romulo Kintanar, alias Mario Asuncion, No. 3 in the CPP/NPA, alleged chief of the NPA and brains behind the Sparrows assassination units, was a sophomore engineering student at the University of San Carlos in Cebu when he decided to go underground.

Benjamin de Vers, alleged vice-chairman of the CPP central committee, chairman of the Mindanao Commission, head of the CPP National Organizational Commission tasked with setting up multisectoral fronts in urban areas, was an agriculture graduate from UP Los Banos.

Napoleon Miranda, earlier identified as Napoleon Manual, alleged logistics chief of the NPA, has a degree in mechanical engineering from UP.

Marco Palo, alleged member of the national financial commission of the CPP, finished AB, major in philosophy, in UP.

Maria Gloria Asuncion Jopson, widow of Ateneo "nationalist" Edgar Jopson and current wife of Kintanar, alleged secretary of the finance group of the NPA general command and member of the national financial commission, was a graduate (course not indicated) from St Theresa's College.

No information has been supplied regarding the background of the two other captives: Eric Nene and Eather Yzon, earlier identified as Inez Asuncion, wife of Napoleon Miranda.

The UP background of four of the six captives underlines the premier position of Diliman as the breeding ground for Marxist-Leninist revolutionaries.

When I was invited to join the Kabataang Makabayan in November 1964, almost everyone in the original group was from UP. There was a sprinkling from the Lyceum of the Philippine College of Commerce (now known as PUP). I was the only one from an elitist school, Ateneo de Manila. Other elitist products like Chito Sta Romana, Sixto Carlos Jr, and Tonypet Aranets came later.

Why UP should be in the forefront of Marxist-Leninist ferment is not difficult to understand. Its student body in the 60s and 70s was predominantly middle class, which was also the source of idealistic revolutionaries in Russia, China, Cuba and Vietnam.

The unfettered intellectual climate of Diliman was also conducive to rebellious, non-conformist thinking, which is the correct ambience of a real university. At a time when the elitist Catholic schools were solidly against the compulsory reading of Rizal's novels, it was de rigueur in UP for students to read them.

Students in Catholic schools were "guided" by such silly institutions as the Legion of Decency ratings of movies and the Index of Forbidden Books. UP students were enviably free of such medieval constraints.

The combination of academic freedom, sympathy for nationalist sentiments, and predominantly middle class or petit-bourgeois backgrounds gave UP students a predisposition and susceptibility to Marxist-Leninist and anti-American agitation, when it came, mostly from the writings of Jose Ma. Sison, Renato Constantino, and Hernando Abaya.

The anti-American component, an inevitable ingredient of Philippine nationalism because of obvious historical reasons, was given added credibility by the American war against the Vietnamese, which gave convincing contemporary proof of the imperialist nature of American capitalism.

The apparent success then of Mao Zedong in uniting and mobilizing 800 million Chinese made Marxism-Leninism-Maoism doubly attractive as an alternative to the feudal-capitalist chaos of Philippine society.

The purpose of this exposition is to show that the leaders of the CPP/NDF/NPA come from an intellectually sophisticated milieu, unlike those of the Huks before and during the presidency of Ramon Magsaysay.

Capturing the current leaders is a major victory for the Aquino Government, but they will be replaced soon enough by other, also intellectually sophisticated leaders, equally motivated and determined to pursue their idealistic goals.

The Aquino Government cannot correctly claim that the tide has turned in its favor until intellectuals voluntarily drop from the insurgency out of disillusionment. This will happen only when bourgeois society offers intellectuals, especially the young, something to be idealistic about, of which there is none in the present environment.

Only ideological politics—not traditional politics—can create that idealism that can wean intellectuals away from Marxism-Leninism.

Military Says CPP-NPA Remains 'Threat'
HK080949 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 8 Apr 88

[Text] The CPP [Communist Party of the Philippines]-NPA remains the principal threat to our society, while Gringo Honasan's group is only secondary, according to a military assessment made at a command conference held at Camp Aguinaldo and attended by top military officials headed by Chief of Staff General Renato de Villa. De Villa also reminded military field commanders to make quick and decisive actions in dealing with communist threats to our national security.

The remarks by Armed Forces Chief of Staff General de Villa were reported in a press statement read by his spokesman, Colonel Oscar Florendo.

[Begin Florendo recording in English in progress] ...several threat groups such as the MNLF and the ultrarightists. They were unanimous in saying that the CPP-NPA was the main threat and therefore should be the main focus of political and military efforts. Gen de Villa also stressed that the spirit of offensive must always prevail in our operations. He said that government soldiers must always seek the initiative in combat, intelligence and in [word indistinct].

The chief of staff resolved the earlier complaint of area command chiefs of having too many responsibilities with very little authority by declaring that the command chiefs will now have the autonomy or freedom of action as they may see fit and proper to address the security situation in their respective areas. By this, the chief of staff said that the commanders will have the authority and the discretion in the use of personnel, material resources, and tactics in pursuing their mission as military field commanders. They will have full discretion and authorities to deploy and redeploy their combat soldiers in accordance with their strategic and tactical plans. [end recording]

On the Honasan problem, De Villa said those found supporting Honasan will not be spared under the law.

[Begin Florendo recording in English] De Villa said that he will never allow Honasan and those who may be supporting him to subvert the military.

In response to these guidelines, the four major service commanders of the AFP [Armed Forces of the Philippines], the area commanders, and all the unit commanders present in the conference pledged their total and unqualified support to De Villa's position and leadership in the AFP. [end recording]

That was Colonel Oscar Florendo. This is Bing Formento of DZRH News reporting from Camp Aguinaldo.

Home Defense Force Thwarts Attack on Cotabato
HK081002 Manila Radio Veritas in Tagalog 0700 GMT 8 Apr 88

[Text] Members of the Integrated Civilian Home Defense Force [ICHDF] have successfully thwarted the attack by some 100 NPA rebels on a Southern Cotabato town. Five people were reported killed in the encounter. Here is Jonathan Cristobal with the details:

[Begin recording] A joint force of the ICHDF has bravely fought with around 100 NPA terrorists armed with high-powered guns in Barangay Dolet, in the town of Magpet, South Cotabato. Five people were killed and two were seriously wounded in the encounter.

According to the report of the PC Regional Command Post sent to PC headquarters in Camp Crame, the NPA group led by a certain Commander Rick and a Commander Bob, whose real identities are unknown, were harassing the residents in the barangay when the ICHDF confronted them.

In a running gunbattle between the NPA group and the ICHDF which lasted for about 1 hour, two ICHDF members, Dominador Seminilia and Roberto Negre, were killed, while Carlos Rojo and Joel Seminilia, both ICHDF members, were seriously wounded. Three unidentified civilians caught in the raging gunbattle were reported slain.

The NPAs took away with them a (?field) rifle and a homemade (?double gauge) shotgun, according to the military.

The number of NPA casualties is not known, but the ICHDF group believed most of the NPAs were wounded because bloodstains were seen along the NPA's escape path. Those wounded in the encounter are presently treated at the Magpet hospital.

For Radio Veritas this is Jonathan Cristobal reporting.
[end recording]

Rebel Clinics Treat Wounded in Metro Manila
HK080929 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 8 Apr 88

[Text] Communist rebels have set up modern clinics in Metropolitan Manila that are fully equipped to treat wounded NPA guerrillas. This was revealed by two injured rebels from Occidental Mindoro who were captured by Manila police in Quiapo last Wednesday.

Leonardo Tolerisa and Ariel Zulueta were being treated in a medical safehouse in the area when the house was raided by men of the Western Police District [WPD]. The police said the two men were members of an NPA group that attacked a truckload of Constabulary men in Barrio Cabacao, Abra de Ilog, Occidental Mindoro on 6 March this year.

Aquino Says De Villa To Stay in Post
HK070909 Manila Radio Veritas in Tagalog 0700 GMT 7 Apr 88

[Text] Armed Forces Chief of Staff General Renato de Villa will stay in his post. This was announced by President Corazon Aquino in response to reports that Gen de Villa wanted to resign from his position owing to his responsibility over the escape of rebel leader, former Colonel Gregorio Honasan. The president said she has faith in the capability of Gen de Villa to continue leading the Armed Forces of the Philippines. Here is the president:

[Begin recording in English] [Reporter] According to reports, Gen de Villa will resign. Is there going to be a military revamp?

[Aquino] He has not told me that he is going to resign. He will remain as chief of staff. [end recording]

Meanwhile, Presidential Adviser on Military Affairs General Jose Magno reaffirmed that Honasan does not have the capability to launch a new coup against the government.

[Begin Magno recording in English] There is no cause for any additional concern. I would like to assure the people that everything is normal. It is just a matter of one escapee, and the military is trying its best to gather enough intelligence to do their job. There is no reason to panic or to sound the alarm. It is all calm. The situation now is very different. Before August 28, Honasan had a command. He had a group of soldiers who had been trained by him. Now he has no position in the military. He has no contacts with any organization. True, there might be some people who have their sentiments with him, but that is not enough to mount a coup. [end recording]

From Malacanang, Gabby Salcedo reporting.

Jose De Leon Assumes Air Force Chief Post
BK070501 Manila PNA in English 0416 GMT 7 Apr 88

[Text] Manila, April 07 (PNA)—Brig. Gen. Jose L. De Leon, Jr. has assumed the post of commanding general of the Philippine Air Force (PAF) replacing outgoing PAF Chief Maj. Gen. Antonio Sotelo.

President Corazon C. Aquino has named Sotelo as the new Armed Forces vice chief of staff, replacing Lt. Gen. Eduardo Ermita who retired last April 1.

De Leon was the commander of the 5th Fighter Wing before becoming 21st PAF commanding general.

The 52-year-old new Air Force commander is a veteran combat jet pilot and the first Filipino pilot to have flown the F-16 and F-20 jets of the U.S. Air Force while on a mission to the United States in 1981.

Navy Officers Object to Cunanan Appointment
HK080923 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 8 Apr 88

[Text] Ten top officers of the Philippine Navy are allegedly preparing to protest against Commodore Carlito Cunanan, the newly appointed Navy flag officer in command. According to military sources, these officers oppose Cunanan's actions during the investigations of the escape of Colonel Gringo Honasan from the prison ship

"BRP Andres Bonifacio". They said that Cunanan should bear the major responsibility for Honasan's escape, based on the principle of command responsibility.

While the form of protest has not been revealed, there are reports that these officers plan to stage a mutiny against Cunanan, particularly if his appointment as flag officer in command is confirmed by the Commission on Appointments.

Aquino Addresses WHO Meeting in Manila
HK071145 Quezon City Radyo ng Bayan in Tagalog
1000 GMT 7 Apr 88

[Text] President Aquino expressed confidence that the Philippines will be able to produce effective and reliable medicines as well as other pharmaceutical products in the near future. Details from Sel Baesa:

[Begin recording] [Baesa] The president stressed that the country's health-for-all program will be realized by the year 2000. In her speech on the 40th anniversary of the WHO in Manila, the president said that Filipinos will soon be able to manufacture effective medicines under the national drug program.

In praising the role of the WHO in the country's health program, the chief executive emphasized that the organization provided expert opinions and technical advice for the success of its programs.

[Aquino in English] With its vast network of consultants as well as its own expert staff, the organization is able to generate expert opinions and timely technical advice to guide the health policy. WHO has consistently stressed the principles of self-reliance and social equity in helping member-states confront and solve their problems. The objective of health-for-all by the year 2000 through the health care approach is an outstanding goal to which the Philippines is firmly committed. Our national drug policy, which I initiated a year ago, consisting of safe and effective medicine, rational use of pharmaceuticals, and the development of our capability for basic manufacturing translates into reality many of WHO's pharmaceutical concepts, such as the essential drug's concept on generic labels. I am indeed confident that with the full support of the WHO in technical, material, and moral terms, we shall persevere and succeed in fully implementing this policy, which can only result in better health care for the Filipino people. [end recording]

Aquino Meets ROK, Japanese Delegations
HK081125 Quezon City GMA 7 Radio-Television Arts
Network in Tagalog 1030 GMT 8 Apr 88

[Text] President Aquino today expressed the strong belief that Philippine trade with South Korea and Japan will develop even further.

President Aquino met with South Korean Foreign Minister Choe Kwang-su this afternoon and discussed the development of trade between the two countries. They agreed to double the trade volume by the year 2000 from the present level of \$300 million.

Trade was also the topic of discussion in the meeting between the president and an economic delegation from Japan. The Japanese businessmen's group is in the country to explore investment possibilities here.

Support Sought From ASEAN Development Fund
OW071303 Tokyo KYODO in English 1231 GMT
7 Apr 88

[Text] Manila, April 7 KYODO—Philippine Trade and Industry Undersecretary Tomas Alcantara sought on Thursday the help of top Japanese industrialists to lobby for an early disbursement of Manila's share in the two billion-dollar Association of Southeast Asian Nations-Japan Development Fund.

Alcantara said an early conclusion of the final bilateral agreement covering the use of the fund "will be a most welcome relief" for the Philippine government which is in need of foreign financing for its economic recovery program.

Japanese Prime Minister Noboru Takeshita unveiled the ASEAN-Japan Development Fund during his dialogue with the ASEAN heads of state and governments after their summit held here last December.

"Special mention should be given to the early availment of the ASEAN-Japan Development Fund," Alcantara told Japanese delegates to the Philippine-Japan business conference.

"These requests are being brought to your attention so that you may assist us in bringing our case to your government," he said.

Manila will receive 400 million dollars of the fund over the next two years. The amount will be used to finance the rehabilitation of textile mills and improvement of aquaculture facilities, among others.

Alcantara said the early release of the fund will answer the Philippine Government's "urgent" needs for financing industrial development and other private-sector long-term rehabilitation and expansion.

He also asked Tokyo to relax tariff barriers on imported lumber and to increase quota allotted for Manila's agricultural products, notably pineapple.

He said the easing and removal of the barriers will prime up the growth of the "very critical" agricultural sector.

Alien Amnesty Program Extended to 15 June
HK071223 Quezon City Radyo ng Bayan in Tagalog
0800 GMT 7 Apr 88

[Text] The Immigration and Deportation Commission has extended the deadline of the Alien Amnesty Program until 15 June. This is the second extension. The original deadline would have expired on 15 April.

At the same time, Commissioner Miriam Defensor Santiago recommended a more extensive amnesty program to Malacanang wherein overstaying aliens will be allowed to become permanent residents by paying P30,000.

Santiago adopted the two steps in view of the president's coming visit to China next week. It is believed that there are some 98,000 overstaying Chinese in the country.

Thailand

Police Said To Watch Hijacking Suspect
BK080101 Bangkok BANGKOK POST in English
8 Apr 88 p 1

[Text] Thai security officials are monitoring the activities of a Middle Eastern man still in Bangkok whom they suspect may have been involved in Tuesday's Kuwait Airways hijacking, senior security sources told the BANGKOK POST yesterday.

The officials also said they are awaiting confirmation from Iraqi officials as to whether the passports of two other passengers on board the plane are authentic.

Meanwhile, National Security Council [NSC] chief Suwit Sutthanukun confirmed yesterday that four passengers who boarded the jumbo jet were holding forged Bahraini passports.

"Bahraini officials have confirmed that they (the four passengers) are not their people and that their passports are forged," he said.

The security sources, who refused to identify the Middle Eastern man now under surveillance, told the POST that he was about to board the plane but had cancelled at the last minute.

The man arrived in Bangkok at about the same time as the four passengers holding forged Bahraini passports and two others registered as holding Iraqi passports, the sources said.

Thai authorities are now coordinating with all concerned agencies to pinpoint the identities of the hijackers, and are checking to see whether there are any others still in Bangkok who may have been involved in the hijacking, the sources said.

They said the four men carrying Bahraini passports arrived in Bangkok between March 23 and March 30 and stayed at various places, such as the Rex, Grace and Manohra hotels.

Jum'ah Zayd al-Nakhlah arrived in Bangkok on March 23, Hamad al-Jalwan arrived on March 26, Hamdan Rashid al-Fawar arrived on March 27 and Ahmad Jabir al-Mansur arrived on March 30, the sources said.

The sources said Hamdan Rashid al-Fawar arrived on board KLM Royal Dutch Airlines Flight 887, Amsterdam-Dubai-Bangkok.

The true nationalities of the four are not yet known.

The passenger list for flight 422 carried the names of two passengers listed as carrying Iraqi passports. They were Muhammad Srodun Oudai and Yaudd Khalid al-Nasiri.

Security sources said Muhammad Srodun Oudai arrived in Bangkok on March 26 while Yaudd Khalid al-Nasiri arrived on March 27.

As security and Airport Authority of Thailand (AAT) officials continued their investigation at Don Muang Airport, officials admitted there were two possible loopholes through which the hijackers may have been able to bring weapons on board the jumbo jet.

Assistant police chief Maj-Gen Ophat Rattanasin told reporters yesterday that officials were checking the passport records of all passengers on the plane, particularly the actual number of transit passengers.

He said it is possible the weapons could have been brought onto the plane by transit passengers since they do not pass through security checks.

"We should get a clearer picture tomorrow," he said.

In a separate interview, AAT Governor Sombun Rahong said that in 1986 airport security officials stopped a German transit passenger after they found a pistol in his luggage.

After checking the plane he was supposed to have boarded, the officials found bullets hidden in his seat, Mr Sombun said without elaborating.

He added that another possible hole in the airport's defences is the fact that airplanes are not checked for weapons once they land at the airport.

NSC chief Suwit said a meeting of security and police officials was held yesterday to review the hijacking.

Meanwhile, Interior Minister Prachuab Suntarankun yesterday said the arms and grenades used by the hijackers may have been smuggled on board from abroad and not at Don Muang Airport.

He said the Airport Authority of Thailand (AAT) already has strict security measures, and added that the ministry merely assists with intelligence work.

Gen Prachuab said there had not been any advance intelligence reports suggesting a possible hijack.

He said Thailand already has an anti-hijack unit operating under the Anti-Terrorism Administration and Policy Committee chaired by NSC chief Suwit.

AAT Governor Sombun said yesterday that an official fact-finding team had been set up to investigate the incident, and security personnel, maintenance crews and cleaners have been questioned over the past two days.

Before airport identification cards are issued to such workers, their records are checked by the National Intelligence Agency, he said.

"With careful planning and some time, the weapons could have been smuggled aboard before the trip to Bangkok with the (Kuwaiti) royalty used as powerful bargaining chips," Mr Sombun said.

However, AAT director Capt Charun Phithong admitted yesterday that the agency alone is not capable of conducting a thorough investigation and urged that a national committee be set up to probe the case.

Surplus Registered in Trade With Laos
BK080147 Bangkok THE NATION in English
8 Apr 88 p 2

[Text] Thailand had a whopping advantage over Laos in bilateral trade in 1987, registering a 683 million baht trade surplus and outnumbering Lao exports 6 to 1, according to figures gathered by the Thai Embassy in Vientiane.

Most of the Thai exports led by garments, rice and construction materials and the main shipments from Laos—wood, rattan canes and wood resin—flowed through Thailand's Nong Khai and Mukdahan provinces.

Thai exports accounted for 29 per cent of Laos' total import value during a year that ended with the two neighbours fighting over a disputed border area near Thailand's Phitsanulok province. The percentage is the highest market share of Thai exports to Laos in the past five years.

The statistics compiled by the Embassy's trade advisory office showed that Thailand's 820 million baht worth of exports to Laos were six times greater than the 137 million baht amount of Lao products sent here last year.

In 1986 and 1987 Thai exports to Laos rose by 36 and 68 per cent while imports from Laos climbed by 287 and 297 per cent.

The figures showed Nong Khai as the main route for Thai exports and Mukdahan as the centre of Lao imports. Most Thai exports flowed through Nong Khai province, 587 million baht, followed by Mukdahan province with 233 million baht. However, more Lao products passed through Mukdahan, 82 million baht, than Nong Khai with 54 million baht.

Prem Meets Indonesian Foreign Minister
BK071445 Bangkok Voice of Free Asia in English
1500 GMT 6 Apr 88

[Text] Thai Prime Minister Prem Tinsulanon told Indonesian Foreign Minister Ali Alatas that the Soviet Union can effectively pressure Vietnam to end the Kampuchean conflict. Prime Minister Prem said that the Soviet Union more than anyone else is in a position to effectively pressure the Vietnamese Government to resolve the Kampuchean problem. Prime Minister Prem plans to go to the Soviet Union in May, and is expected to ask for Soviet help in resolving Vietnam's military occupation of Kampuchea. Vietnam invaded Kampuchea in late 1978, and now maintains an estimated 140,000 troops in Kampuchea. The visit would give Thailand a good chance to meet that superpower with a direct and important role in Asia, the Indonesian foreign minister said.

In a 15-minute meeting on Tuesday, Prime Minister Prem expressed confidence in Mr Alatas' role as interlocutor for the six-member Association of Southeast Asian countries in giving a coordination with the Vietnamese government on the Kampuchean conflict. The ASEAN group are Indonesia, Thailand, Singapore, Malaysia, Philippines and Brunei. Earlier, Mr Alatas told Thai Foreign Minister Sitthi Sawetsila that Indonesia remains interested in hosting the informal cocktail party's dialogue aimed at bringing together the CGDK government factions and Vietnam.

Mr Alatas left for Singapore on the same day.

SRV Envoy's Statement on Spratlys Reported
BK071045 Bangkok BANGKOK POST in English
7 Apr 88 p 5

[Letter from Nguyen Van Quan, second secretary of the SRV Embassy, in the "Post Bag" section]

[Text] Sir: When asked by some foreign correspondents to comment on China's statement made in Bangkok on March 31, 1988, saying that "Spratlys Archipelago has for long belonged to China," that "recent Spratlys incident was initiated by Vietnam" and that "China does not accept Vietnam's proposal for talks," Vietnamese Ambassador Extraordinary and Plenipotentiary to Thailand, Mr Le Mai, stated the following:

On the basis of historical facts and international law, it cannot be denied that the Hoang Sa (Paracels) and Truong Sa (Spratlys) Archipelagos have long since and

always been Vietnamese territories. The Vietnamese State took possession of these archipelagos when they were not under the sovereignty of any nation, and it has been continuously and effectively exercising its sovereignty over them.

Chinese troops' occupation of the northeastern islands in the Truong Sa Archipelago [as published] in 1956 and of the southwestern islands of the same archipelago in 1974 constituted acts of aggression against Vietnamese territories and caused deep concern by public opinion in the world, particularly in Southeast Asia.

About the Truong Sa Archipelago, before 1988, China has never been present in this archipelago of Vietnam. Only currently China uses her armed forces to occupy some reefs in the Truong Sa Archipelago, leading to the armed incident, causing further tension to the situation in the Eastern Sea and Southeast Asia.

Vietnam is determined to defend its territorial sovereignty, at the same time is persistent in the policy of settling disputes through peaceful negotiations. Vietnam has proposed to have talks with China, and while pending Chinese sitting at the negotiating table, the two sides should refrain from resorting to violence in the dispute, avoid clashes in order not to worsen the situation. That proposal is in the interests of the people of Vietnam and China, in conformity with the principle of non-use of force in the settlement of disputes. It also conforms with the tendency of dialogue in Southeast Asia and in the world.

Vietnam sincerely wishes that China abandon the path of using force and return to a principle which has been reaffirmed solemnly time and again by China, that is, to settle disputes among nations by peaceful negotiation.

[Signed] Nguyen Van Quan

Second Secretary

Embassy of the Socialist Republic of Vietnam

Opposition Agrees on Cabinet Censure Motion

BK060127 Bangkok THE NATION in English
6 Apr 88 p 2

[By Naowarat Suksamrarn and Sompong Tang]

[Text] The opposition bloc yesterday agreed to submit a censure motion this month against the entire Cabinet, including Premier Prem Tinsulanon, opposition leaders said.

The government's costly rescue scheme to save ailing finance companies and the "mishandling" of the Thai-Lao border dispute will be the main themes of the planned censure debate, said Buntheng Thongsawat, United Democratic Party (UDP), leader.

Bunchu Rotchanasathian, chief of the Community Action Party (CAP), said the Opposition assigned his party and the Ruam Thai Party to work out a draft for the motion. Opposition parties will meet on Thursday to devise their strategy against the Prem Administration before submitting the motion to the House speaker, he said.

More than 70 opposition MPs have signed to support the motion, Prachakon Thai leader Samak Sundarawet said without elaborating.

Under the Constitution, a no-confidence motion is valid only when supported by more than one-fifth, or 70 members, of the House of Representatives.

Other opposition leaders attending the meeting and a subsequent press conference at Parliament yesterday included Muanchon leader Chaloem Yubamrung, Progressive leader Uthai Phimchaichon, Ruam Thai leader Narong Wongwan and UDP secretary general Tamchai Khamphato.

Tamchai's presence came as a surprise because he has been known as a staunch supporter of Prem. He is said to have effective control over most UDP MPs.

Chaloem said he will focus his debate on the government's failure to punish senior police officers involved in the Benz van scandal.

An opposition source said there is no chance of the censure motion being turned down because of insufficient support. The source added that the army would not object to the censure bid.

At present, a total of 73 opposition MPs have endorsed the censure motion—25 MPs from Prachakon Thai, 19 from Ruam Thai, nine from CAP, seven from Progressive, three from National Democratic, one from Labour Democratic, three from Muanchon and six from UDP, according to the source.

In a separate meeting at its headquarters yesterday, UDP, the largest opposition party with 38 MPs, decided that the Prem Administration should be grilled and MPs are free to endorse the motion.

However, Buntheng said he expects only a handful of UDP MPs to back the censure bid. But he said he believes those who signed already will keep their names on the list.

Another source said Prem's close aide hinted that the premier may dissolve the House if the Opposition insists on including him in the censure motion.

On Thursday, opposition MPs will sign a manifesto to form an alliance of opposition parties to improve cooperation. The proposed institutionalization of the opposition bloc resembles that of the United Malays National Organization (UMNO).

UMNO, whose members join forces in elections, has been the backbone of the ruling National Front coalition governments since Malaysia's independence in 1957.

Khukrit Doubts Censure Success

BK060129 Bangkok BANGKOK POST in English
6 Apr 88 p 3

[Text] Former Prime Minister M.R. Khukrit Pramot said yesterday he doubted that the Opposition would be able to muster enough signatures to sponsor a no-confidence debate against the Government in Parliament.

And even if they can get enough signatures, he said, there is a possibility some would withdraw their names "because this happened before and people don't take them seriously".

M.R. Khukrit noted there were several reasons why Prime Minister Prem Tinsulanon did not want a no-confidence against him or his administration, but he declined to elaborate.

Asked whether the planned resignation of Army Commander-in-Chief Gen Chawalit Yongchaiyut would affect the Government's stability, the former prime minister said Gen Chawalit's move was not related to the question of stability.

He said Gen Chawalit would have to quit prematurely as he had earlier announced, "otherwise he would lose face for not keeping his word".

"Although the Prime Minister wants to keep him, he cannot stay on," he added.

M.R. Khukrit said he believed the next Army commander-in-chief would be hand-picked by the Prime Minister.

Chat Thai Party spokesman; Prathuang Wichanpricha, meanwhile, said his party was ready for the no-confidence debate.

"There should not be any problem," he said.

Official Views Southern Separatist Movements

BK051024 Bangkok NAE0 NA in Thai
4 Apr 88 pp 1, 3

[Text] According to Police Lieutenant General Wisit Sangkhahaphong, commander of the Songkhla-based Provincial Police Region 4, on 5 April governors of Yala, Pattani, Narathiwat, Satun, and Songkhla Provinces and senior administrative and police officials will meet

under the chairmanship of Prakit Uttamot, director of the Southern Border Provinces Administration Center, to discuss cooperation against an anticipated surge of terrorist groups in the coming academic year in 18 areas in Narathiwat and another 18 areas of Yala, Pattani, and Songkhla. In addition to the terrorism problem in general, the meeting will also discuss several incidents of abduction of teachers and threats against the lives of Buddhist teachers.

As an initial plan, villagers will be organized as volunteers to prevent threats to their villages, while policemen, ranger volunteers, district office volunteers, and special action police units will provide around the clock inspection around village perimeters. Assisted by Border Patrol Police armored vehicles and a bomb disposal team, they will also patrol other areas as designated.

Gen Wisit said: "About 4-5 days ago a policeman lost his leg and several others were wounded in a clash in Betong. It is difficult to track down the terrorists due to the presence of landmines along the routes and around their camps. Use of explosives detectors took too much time; policemen had to rely on their experience in tracking down the terrorists."

There are several terrorist groups operating along the Southern border. Among the organized groups which have identified themselves are: the Mujahidin, the BRN [Barisan Revolusi Nasional], and the PULO [Pattani United Liberation Organization]. Claiming that Muslims in Pattani, Yala, and Narathiwat Provinces want to govern themselves, these groups want to set up an independent state comprising the three provinces. Group members were sent for training in Arab countries and returned via Don Muang Airport and Malaysia, assisted by certain Malaysian people.

The Mujahidin group is an extremist group and wants to show achievements to the supporting Arab countries in order to draw more financial and arms support.

In any event, the situation in the five Thai provinces bordering Malaysia remains peaceful in general because the majority of the population has not supported the separatist plan.

Briefs

Meeting on Erosion Prevention

A meeting of the Thai-Lao technical team was held in Nong Khai Province on 29 March to study measures to prevent erosion of the Mekong River bank in Nong Khai and to make a hydrographic survey from Chiang Saen District of Chiang Rai to Khong Chiam District of Ubon Ratchathani Province. The projects are financed by Finland and the Netherlands. Finland provided a fund of U.S. \$900,000 for the hydrographic survey, whereas the Netherlands gave U.S.\$ 640,000 for prevention of soil erosion. The results of the meeting will be used in the

development of the Lower Mekong Basin, improvement of river transportation, irrigation, and hydroelectric power. This will benefit the welfare of the people living along the two banks of the Mekong River. [Summary] [BK011115 Bangkok Voice of Free Asia in Thai 1030 GMT 30 Mar 88]

Vietnam

Spokesman Denies Charge of Food-MIA's Link
BK081418 Hong Kong AFP in English 1409 GMT
8 Apr 88

[By Gilles Campion]

[Text] Hanoi, April 8 (AFP)—Vietnam Friday rejected a statement by the U.S. State Department charging that it wanted food aid in exchange for returning the remains of U.S. servicemen listed as missing in action (MIA) in the Vietnam war.

"Recently, U.S. parliamentarians investigated the possibilities of food aid to damaged regions of Vietnam and the Vietnamese Government ... agreed that such aid could be granted," a Foreign Affairs Ministry spokesman said.

The recent U.S. State Department statement "sought intentionally to falsify the truth," he said.

State Department spokeswoman Phyllis Oakley said Thursday that Vietnamese Foreign Minister Nguyen Co Thach had suggested Washington provide food aid to villagers who are asked to search for the remains of MIA's.

She said there were no plans to do this, adding: "We are outraged at any suggestion of linking food assistance with the return of remains."

Mrs. Oakley said Washington had received no Vietnamese request for such aid.

U.S. Senator Larry Pressler (Republican, South Dakota) had talks with Mr. Thach in Hanoi Wednesday and told journalists that food aid could be granted to Vietnam by Congress under the Food for Peace Program.

But he said "normal (bilateral) relations will not be possible while the situations of the MIAs, Amerasians and Cambodia are not settled".

In January, Vietnam agreed to settle in two years the departure for the United States of around 30,000 children of American fathers and Vietnamese mothers, along with relatives.

"We are ready to allow all Amerasians and their families to emigrate to the United States and are open to settle this problem with the Americans as soon as possible," spokesman Trinh Xuan Lang said Thursday.

Mr. Lang said there was no exact figure on the number of American-Vietnamese involved "because they are all over former South Vietnam," but pointed out that "some estimates speak of eight- to ten-thousand Amerasians."

On Wednesday, a U.S. delegation received the remains of 27 MIA's to be examined at the U.S. Army Central Identification Laboratory in Hawaii, which has already officially identified 152 MIAs.

According to U.S. statistics, there are 2,024 MIA's in Indochina, including 1,767 in Vietnam.

"We will continue our efforts to carry out the difficult task of finding information on the MIA's", Mr. Lang said.

The Vietnamese spokesman Friday complained that the U.S. side has "demanded Vietnam sort out (U.S.) humanitarian problems without fulfilling its own duties concerning Vietnamese humanitarian problems".

He said U.S. presidential envoy General John Vessey agreed during a visit here in August 1987 that the two sides should "resolve together their humanitarian problems."

That accord "marked a turning point in the solution of the humanitarian problems of Vietnam and the United States left over by the war".

But he accused the United States of "seeking not to carry out its commitment" to Hanoi.

Vietnam has about 60,000 war disabled and in particular wants U.S. help in providing artificial limbs for them.

In recent weeks, Mr. Thach has criticised Washington for "not respecting the accord of August 1987" by only sending to Hanoi non-governmental organisations.

Spratly Situation Said To Remain 'Tense'
BK081022 Hanoi International Service in English
1000 GMT 8 Apr 88

[Text] A spokesman for the Vietnamese Foreign Ministry says that the situation in the Truong Sa [Spratly Archipelago] remains tense.

In a press conference in Hanoi on Thursday [7 April], the spokesman, Trinh Xuan Lang, said that while rejecting Vietnam's proposal for negotiations to solve disputes in the Truong Sa Archipelago, the Chinese side had occupied two more coral reefs of Vietnam.

Mr Trinh Xuan Lanh said that by now China had occupied six coral reefs of Vietnam at Truong Sa Archipelago. He pointed out that the Chinese side still prevents Vietnamese rescue vessels from doing their work and did not give any information on Vietnamese sailors detained by China in the Truong Sa Archipelago on 14 March.

Mr Trinh Xuan Lang reaffirmed Vietnam's just stand for negotiation and nonuse of force in solving disputes.

VNA Denies Holding Chinese Prisoners
BK080530 Hanoi Domestic Service in Vietnamese
0500 GMT 8 Apr 88

[Text] On 7 April 1988, the Japanese news agency KYODO reported from Tokyo that on 6 April 1988, a Vietnamese Foreign Ministry official revealed for the first time that Vietnam had taken Chinese prisoners of war following the exchange of gunfire between the two countries' navies on 14 March in the Truong Sa [Spratly] Archipelago.

VNA is authorized to state that this report is totally untrue. During a meeting with a representative of the International Committee of the Red Cross on 6 April 1988, the Vietnamese side asked the committee to request that China treat Vietnamese captives in a humanitarian manner and allow them to be repatriated at an early date for family reunions just as the Vietnamese side has done to Chinese nationals arrested for unlawfully violating Vietnamese territory before late 1987. The Foreign Ministry representative did not say that the Vietnamese side had held Chinese prisoners of war from the 14 March 1988 incident at Truong Sa.

Commentaries on Spratly Islands Situation

Radio Views Developments
BK071358 Hanoi International Service in English
1000 GMT 7 Apr 88

[Station Commentary]

[Text] The current developments in Vietnam's Truong Sa [Spratly] Archipelago are worrying public opinion in Southeast Asia and the rest of the world.

After sinking or setting ablaze three Vietnamese freighters on 14 March 1988, the Chinese authorities continued sending dozens of warships to the Truong Sa Archipelago of Vietnam. Most recently, Chinese troops occupied two more coral reefs called Gac Ma and Subi belonging to the Truong Sa Archipelago. From 20 January to 6 April 1988, China illegally occupied six coral reefs on the Truong Sa Archipelago of Vietnam. Meanwhile, Chinese authorities ordered their warships to prevent Vietnamese ships which came to the rescue of distressed freighters and to search for 74 Vietnamese sailors or soldiers who are still unaccounted for.

These facts show that the Chinese authorities are deliberately eluding Vietnam's proposal and that China does not want to solve the dispute over the Truong Sa Archipelago through peaceful negotiations.

Chinese authorities also sought all means to slander Vietnam. They even cooked up a story that the UNESCO had assigned China to conduct a scientific

research work on the Truong Sa Archipelago and used it as a pretext to encroach upon Vietnam's sovereignty over this region. They also slanderously charged Vietnam with attacking first, with sending more ships, increasing air activities, and making provocations on the Truong Sa Archipelago of Vietnam.

These slanderous charges of the Chinese authorities are flatly rejected by the world public. It pointed out that these charges aim to deceive the world public which supports Vietnam's goodwill to solve disputes through peaceful negotiations. This is also a trick to prepare the world public for China's expansion to this region by force, to justify its expansionist ambition in Southeast Asia, and to dominate the East Sea.

Public opinion in Southeast Asian countries and the rest of the world is really worrying about China's acts. Dr Abdul Gani, adviser to Indonesian President Suharto, in an article published by the Indonesian newspaper MERDEKA on 25 March said: Beijing's red dragon spitting fire over the Truong Sa Archipelago has created new tension in Indochina and Southeast Asia.

The Government of the Socialist Republic of Vietnam has enough historic and legal documents to affirm its sovereignty over both the Truong Sa and Hoang Sa [Paracel] Archipelagos. However, Vietnam is fully aware that the question of territorial sovereignty is very complex due to history. That is why the only correct way to solve disputes is through peaceful negotiations.

In its 6 April statement, the Foreign Ministry of the Socialist Republic of Vietnam reiterated Vietnam's correct stance and goodwill and stressed that while waiting for China to come to the negotiating table, the two sides should refrain from using force and avoid all clashes so as not to worsen the situation.

At present, the rescue of Vietnamese sunken freighters is not yet completed. The three Vietnamese freighters sunk or set ablaze by Chinese warships are still in distress and there is still no information about the 74 Vietnamese sailors or soldiers who are still reported as missing.

The Socialist Republic of Vietnam calls on the Chinese side to keep its promise made to the Vietnamese side on 17 March 1988 not to hamper Vietnamese rescue operations.

The world public is demanding that China give a positive response to Vietnam's proposal. Will China act in keeping with reason and live up to its role and its recognition as a member of the United Nations Security Council? The answer completely rests with the Chinese side.

Resolution Said Up to China
BK080413 Hanoi Domestic Service in Vietnamese
1430 GMT 7 Apr 88

[Station commentary: "The Answer Rests With the Chinese Side"]

[Text] The Truong Sa [Spratly] Archipelago has long been part of Vietnam's territory. Until late 1987, China was never present in that area; the waters there and the

archipelago itself had been under the administration of Vietnam. Unexpectedly, in January 1988 the Chinese authorities ordered a naval force equipped with war materiel such as missiles and big guns to trespass in that area, thus increasingly aggravating the situation.

The act of aggression began with Chinese warships trespassing in the area of the Chu Thap and Chau Vien coral reefs, then violating and committing provocations in other coral reefs in the area of Sinh Ton Island. Chinese warships also hampered the movement of Vietnamese vessels in international waters and right inside Vietnamese waters. Their most blatant action was when they opened fire and attacked Vietnamese freighters on normal supply runs, then prevented Vietnamese vessels from rescuing the sailors and ships under Chinese attack. China even protested the presence of the International Committee of the Red Cross to witness rescue operations in the area of the attacks on the Vietnamese ships.

These actions clearly show that the Chinese authorities have—in disregard of reason and the Charter of the United Nations, of which China is a member of the Security Council—plunged deeply onto a path aimed at using force to start a conflict with Vietnam, an independent, sovereign neighboring country. They have committed two crimes at the same time—waging aggression and treating the victims of their own aggression inhumanely.

However, the Chinese authorities have not stopped there. They have repeatedly made up slanderous charges to place the blame on the Vietnamese side. At a news conference held in Beijing on 5 April 1988, a Chinese Foreign Ministry spokesman cooked up a story saying that Vietnam has sent in more ships, increased air activities, and committed provocations in the Truong Sa Archipelago.

The SRV Foreign Ministry, in its 6 April statement on the current situation in the Truong Sa Archipelago, categorically rejected the Chinese authorities' slanderous charges and, at the same time, pointed out that this sheer fabrication by the Chinese side is aimed at deceiving world public opinion, which supports Vietnam's proposal to settle the dispute through peaceful negotiations.

Meanwhile, the Chinese side is preparing public opinion for it to undertake new steps of adventure in using force to expand its encroachment on Vietnam's Truong Sa Archipelago.

Everyone understands that the SRV Government has unswervingly held the friendship between Vietnam and China in high respect, as well as friendly relations between Vietnam and other neighboring countries. Vietnam's consistent policy is to settle all differences, including border and territory disputes, through peaceful dialogue. Proof of this is an agreement reached between Vietnam and the Philippines late last March in which

both sides affirm that the two countries will not use force to solve differences, including those on the Truong Sa Archipelago. The way to settlement is through negotiations.

In all of the notes sent to the Chinese side we invariably uphold the concept of dialogue and oppose confrontation in the settlement of relevant issues, especially the issue of Truong Sa at present. At the same time, we stress that while waiting for China to sit down at the negotiating table, both sides should avoid all military clashes in order not to worsen the situation.

However, the Chinese authorities have acted in a converse manner. In his 5 April statement, the Chinese Foreign Ministry spokesman totally evaded Vietnam's fair and reasonable proposal; this means China does not want dialogue and only espouses the use of force. China's acts are part of its well-calculated scheme to seize Vietnam's Truong Sa Archipelago to pave the way for further and broader expansion southward. Its presence in the Truong Sa Archipelago is merely the first step.

China's strategic border doctrine—the extension of its geographical borders and the strengthening of its naval forces—poses a potential threat to the countries along the Eastern Sea and in Southeast Asia. The press of various countries in this region has warned of this. The Indonesian newspaper MERDEKA said: Beijing is spitting fire in Truong Sa, and the heat is creating new tension that may upset peace and stability in Southeast Asia. What is more, China is testing the strength of its navy in the Eastern Sea to gauge how far it can sweep out into the waters of Indonesia and the Indian Ocean; this greatly worries public opinion.

There are two ways to solve the current dispute over the Truong Sa Archipelago. One is to use force and shun negotiations; the other is to refrain from using force, avoid clashes, and persist in negotiations, as proposed by the Vietnamese side. The answer rests with the Chinese side.

NHAN DAN Urges Negotiation

*BK080754 Hanoi VNA in English 0724 GMT
8 Apr 88*

[Text] Hanoi VNA April 8—The situation around the Truong Sa [Spratly] Archipelago is worsening due to the Chinese side's attitude and acts, says NHAN DAN in a commentary today.

The paper continues :

“While reaffirming their sovereignty over the Truong Sa Archipelago, the Vietnamese Government and people, with their goodwill attitude which conforms to the general trend of the time, have advocated peaceful negotiation to solve the differences and pending that, the two sides should not use force and avoid conflicts so as not to aggravate the situation.

"That goodwill attitude, though having enjoyed strong support from the world public opinion, was flatly refected by China. Moreover it has occupied two more coral reefs of Vietnam. So within less than three months from January 1988 prior to which the Chinese presence at Truong Sa had never seen China occupied six coral reefs of Vietnam. [sentence as received] Dozens of their warships including submarines have arrogantly been operating in Truong Sa waters, obstructing rescue missions and routine supply activities by Vietnamese vessels."

The paper exposes China's dark design of southward expansion to monopolize the eastern sea, by recalling its preparation, material, technical, political, etc, such as its theory that the strategic border line may stretch far beyond the geographical border line, that its "national gate" must be brought far beyond its geographical border, that China's territory stretches southward to Sarawak of Malaysia and "when opportunity comes, we will recover them all without any negotiation," etc. NHAN DAN Points out:

"All the slanders against Vietnam by the spokesman for the Chinese Foreign Ministry as well as Chinese Deputy-Foreign Minister Qian Qichen at their April 4 and 6 press conferences aim at preparing public opinion for China's new adventure by using force to grab more land and continuing to put into practice its expansionist theory by force. [quotation marks as received]

A permanent member of the United Nations Security Council, China has provoked conflicts and encroached upon the sovereignty and territorial integrity of a neighbouring country, thus trampling down the U.N. Charter. While the whole world supports peaceful negotiation and embarks on the trend for dialogue and detente, China has persistently refused negotiation. Only those who make black white are afraid of common sense and spread slanders to deceive public opinion and shirk their responsibility.

The paper said in conclusion:

"Having always treasured the friendship between the peoples of Vietnam and China, Vietnam has done all it can to make the situation not worsen. Negotiation is the only correct way to settle every dispute, which is in conformity with the trend of the time."

Army Paper Criticizes PRC

*BK081052 Hanoi International Service in English
1000 GMT 8 Apr 88*

[Text] The Vietnamese Army newspaper QUAN DOI NHAN DAN criticizes China's allegations aimed to cover its erroneous and wicked scheme in Vietnam's Truong Sa [Spratly] Archipelago.

In an article on Friday [8 April], QUAN DOI NHAN DAN highlighted the Vietnamese side's just stand and good will in settling disputes through peaceful negotiations. It pointed out that in the views of the world public, the Truong Sa dispute has manifested two opposite policies, namely, China's policy of using force and non-negotiation and Vietnam's stand of nonuse of force, avoiding conflicts, and standing ready for negotiation.

Population Redistribution Said Short of Target *BK080816 Hanoi Domestic Service in Vietnamese 2300 GMT 7 Apr 88*

[Text] According to the Labor Redistribution Department of the Ministry of Labor, War Invalids, and Social Welfare, by the end of the first quarter of 1988 only 42,700 people including 21,000 laborers throughout the country had been sent to build new economic zones, fulfilling 50 percent of the labor redistribution plan and 49.7 percent of the population redistribution plan. Compared to last year, these figures equal only about 78 percent of the labor force and 76 percent of the population redistributed during the corresponding period. The northern midland and highland provinces did better, fulfilling nearly 60 percent of the population redistribution plan and more than 62 percent of the labor redistribution plan.

In other regions such as Southern Trung Bo, the Central Highlands, Eastern Nam Bo, and the Mekong River Delta, the redistribution rate has been slow, falling short of the plan.

In labor redistribution, the first and fourth quarters normally are the periods of intensified activities with large numbers of laborers being sent out. But this year, the state plans were assigned late, and official plans were still not worked out by the end of the first quarter. This delay caused a string of other sectors such as finance, food, and materials to fall behind in devising plans to meet the requirements of labor and population redistribution, especially where capital construction is concerned.

Dac Lac is one of the localities set to receive the most new settlers to build new economic zones. This year, according to the plan, the province is entitled to 42 million dong as operating capital. But, to date it has been given only 110 million dong while there is not much time left for it to carry out necessary capital construction. The province has had to spend nearly 110 million dong of its own funds for labor and population redistribution work. At present, the localities sending out people still owe Dac Lac more than 270 tonnes of grain, much more than the amount they owed to the province in all 1987, thereby hindering the reception of new settlers and the redistribution of population within the province itself. Fast price increases, especially grain and materials prices and transportation fees, have caused numerous difficulties for many aspects of population redistribution work and have somewhat made the existing policies and systems obsolete and ineffective.

Le Quang Dao Inspects Hanoi Complaint Handling
BK080454 Hanoi Domestic Service in Vietnamese
2300 GMT 7 Apr 88

[Text] A Council of State inspection team led by Comrade Le Quang Dao, chairman of the National Assembly and vice chairman of the Council of State, recently inspected the handling of people's complaints and denunciations in Hanoi.

The team held working sessions with the Hanoi People's Committee, the various sectors concerned, the VFF Committee, and the mass organizations. It also worked with the People's Committee and sectors concerned in Ba Dinh Ward and Gia Lam District on their consideration and settlement of people's complaints and denunciations in recent days.

Since 1987, Hanoi has made progress in handling public complaints and denunciations. The standing committee of the people's committee has devoted much time to working together with various sectors and echelons to reorganize and enhance the consideration of complaints and denunciations. Regulations on consideration and settlement of complaints and denunciations have been promulgated and a Complaints and Denunciations Consideration Council has been set up. A set of regulations on settling disputes over home ownership and dealing with illegally built dwellings has also been enacted. Each week the People's Committee chairman and the Standing Committee set aside 1 day to work together with the responsible sectors in scrutinizing and settling people's complaints and denunciations, especially complex and long-delayed cases. Thanks to this, many difficult, drawn-out cases have begun to be resolved.

However, there still are some shortcomings in Hanoi's handling of public grievances. For example, the municipality and various sectors and echelons, especially the grass roots, have not given due attention to guiding and regularly and widely conducting propaganda and educational work concerning the state regulations on considering and settling people's complaints and denunciations among cadres, party members, and the people. The unified management of complaint and denunciation letters and petitions has not been sufficiently strict. The municipal inspection service has not made good use of its supervisory role to promote the implementation of the state regulations on complaint handling. The control sector has yet to satisfactorily perform its functions and exert its authority in supervising law enforcement, in promptly contributing to organizing the implementation of the regulations on complaint handling, and in uncovering and dealing with malfeasances and shortcomings committed by responsible state organs as well as by people in handling public complaints. The number of cases definitely settled is still limited; the effectiveness of responsible organs' complaint settlement decisions has been negligible; responsible organs have not paid due attention to controlling and supervising the implementation of complaint settlement decisions; reception of

people in connection with public complaint settlement has not been effectively carried out; the system under which the local control sector must report to and answer the organs responsible for managing complaint and denunciation letters and petitions has not been scrupulously enforced, and so forth.

On the basis of its inspection and examination of facts, the inspection team advised the municipality to pay greater attention to disseminating the already promulgated complaint settlement regulations among all echelons, sectors, and basic units so that everyone, every level, especially the grass roots, may understand and correctly perform their functions in settling complaints. Hanoi should work out a plan to administer unified management of complaints and denunciations; improve the quality and efficiency of complaint handling; inventory and classify all backlogged complaints and denunciations and forward them to the right echelons for handling. The municipality should also study the formulation of regulations allowing the VFF and mass organizations to join responsible state organs in propaganda and education work concerning laws and regulations, in settling people's complaints and denunciations, and in supervising state organs' organization of implementation of the complaint settlement regulations.

Vo Nguyen Giap Speaks at Hai Hung Ceremony
BK071151 Hanoi Domestic Service in Vietnamese
1430 GMT 5 Apr 88

[Text] A joint scientific production contract was signed at Gia Loc District, Hai Hung Province, on 2 April between the steering committee of the Grain and Food Crop Institute, Ministry of Agriculture and Food Industry, and the Tu Loc District People's Committee. The contract, which will expire by the end of 1990, marks a new form of comprehensive agricultural production cooperation between a research institute and a grass-roots production organization at the district level to help develop the three state-initiated economic programs.

The contract involves a number of key tasks: expeditious application of agricultural production innovations to quickly increase grain and food production output; manufacture of products and commodities, and, as an immediate objective, supply of crop and livestock breeders of high economic quality and value; study of progress in agricultural production; devising of crop rotation and intensive cultivation patterns and methods for generating better crop and livestock breeders; experimental agricultural product processing; comprehensive guidance in the supply of crop and livestock breeders; determination of areas for intensive cultivation of grain and food crops; and manufacture of a number of agricultural products for local consumption and exportation.

Council of Ministers Vice Chairman Vo Nguyen Giap attended the signing ceremony and addressed the participants. He acclaimed their efforts and reemphasized the need to satisfactorily develop the efficiency of this cooperation.

Briefs

WHO Anniversary

Hanoi OANA VNA April 7—A meeting was held here today to mark the 40th anniversary of the World Health Organization and the 10th anniversary of the Alma-Ata Declaration. The meeting was attended by Dang Hoi Xuan, minister of public health, and representatives of concerned branches in Hanoi. Also present were Dr Mario Gonzalez, WHO representative in Hanoi, and representatives of other international organizations and embassies. The visiting delegation of the Moscow Medical College No 2 was on hand. Speaking at the meeting, Minister Dang Hoi Xuan highlighted WHO's remarkable assistance to Vietnam in carrying out the programmes of expanding the grass-roots medical network, personnel training, mass vaccination, prevention and treatment of infectious diseases, environmental hygiene, and mother and child care. Accredited by the World Health Organization, Dr. M. Gonzalez conferred the "Health for All" medals on Prof Dr Hoang Dinh Cau, vice-minister of public health and director of the Hanoi

Medical College; Prof Vu Thi Phan, director of the Institute of Malariology, Entomology and Parasitology; and Le Van Bui, head of the Da Ton Agricultural Cooperative in Gia Lam District on the outskirts of Hanoi. [Summary] [BK071518 Hanoi VNA in English 1453 GMT 7 Apr 88]

Gifts From GDR

Hanoi VNA April 7—A ceremony was held in Hue, capital of Binh Tri Thien, today to receive gifts from the German Democratic Republic. The gifts consist of clothing, medicines and consumer goods worth 2 million marks. The counsellor of the GDR Embassy, Jany Horst, made a token delivery of the gifts to Nguyen Van Luong, deputy secretary of the provincial party organization and chairman of the provincial people's committee. Nguyen Van Luong expressed thanks to the GDR for its valuable assistance to the Vietnamese people, describing it as a manifestation of the solidarity and friendship between the two countries. [Text] [BK071542 Hanoi VNA in English 1505 GMT 7 Apr 88]

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9 April 1988

